FY 2025

CITY OF PRINCETON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED:
SEPTEMBER 30, 2025

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PROGRESS WITH PURPOSE

CITY OF PRINCETON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended September 30, 2025

PRINCETON
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Prepared By:

Jeff Jones - Interim City Manager

Kelly Wilson, CGFO, CPM - Chief Financial Officer
Julie Kennicutt - Assistant Finance Director
Elizabeth McDonald, CPA - Senior Accountant
Jennifer Gilbert - Controller
NaKeisha Thornton - Accounts Payable
Maggie Metzner - Purchasing Officer

CITY OF PRINCETON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

SEPTEMBER 30, 2025

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INTRODUCTORY SECTION

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March 17, 2026

Honorable Mayor, Members of the City Council,
and Citizens of the City of Princeton:

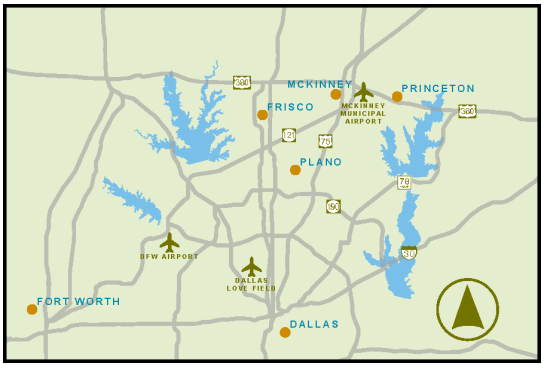
The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Princeton, Texas, for the fiscal year ended September 30, 2025. State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report fulfills that requirement and has been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).

Management is responsible for the accuracy, completeness, and fairness of the information presented. To the best of our knowledge, the financial statements are accurate in all material respects and present a fair reflection of the City's financial position and results of operations. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

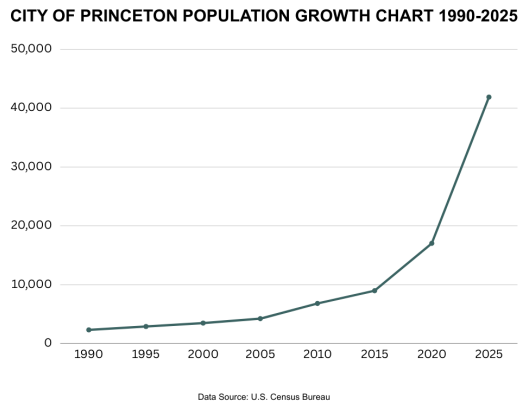
The City's financial statements were audited by Pattillo, Brown and Hill, LLP., Certified Public Accountants, who have issued an unmodified ("clean") opinion. The independent auditor's report appears in the financial section. Management's Discussion and Analysis (MD&A) immediately follows and provides a narrative overview and analysis of the City's financial performance.

CITY PROFILE

Incorporated in 1912, the City of Princeton is in Collin County, within close proximity to the Dallas–Fort Worth (DFW) Metroplex. The City serves approximately 14.5 square miles with an estimated population of 43,126. Princeton is situated at the intersection of U.S. Highway 380 and Farm Roads 75 and 982 in northeast Collin County.



Princeton continues to experience substantial residential and infrastructure expansion and has been recognized as the fastest-growing city in the nation, more than doubling its population between 2020 and 2025. Princeton households have a median income of $90,809, which is higher than the Texas and U.S. averages. The median age of 32.9 is six years lower than the U.S. average. Residents of Princeton demonstrate a strong educational foundation.



Among adults ages 25 and older, approximately 91 percent have at least a high school diploma or equivalent, reflecting a well-educated community. Additionally, 27 percent of adults hold a bachelor's degree or higher, contributing to a skilled workforce that supports the City's continued residential, commercial, and economic growth.

SERVICES PROVIDED

The City of Princeton elected a Home Rule Charter in August 2022. The City of Princeton operates under a council-manager form of government. Policy-making authority is vested in the City Council, comprised of a Mayor and seven Council Members elected at-large, while the City Manager oversees all staff and daily operations. Princeton provides a full range of municipal services, including police, fire, emergency medical services, streets and infrastructure, parks and recreation, library services, water and wastewater utilities, drainage, and solid waste. The City is financially accountable for its blended component units, the Princeton Economic Development Corporation (EDC) and the Princeton Community Development Corporation (CDC) (see Note 1A for additional information).

Community Waste Disposal ("CWD") provides solid waste collection services to the City under contract. The North Texas Municipal Water District ("NTMWD") supplies potable water to the City under a contractual "take-or-pay" agreement and also provides wastewater treatment services. The City provides fire services on a contractual basis to areas within its ETJ as well as police providing student resource officers to Princeton ISD.

FINANCIAL SYSTEM AND BUDGETARY CONTROLS

The City Council adopts a balanced annual budget before the start of each fiscal year. The legal level of budgetary control is maintained at the fund level. The City maintains a General Fund unassigned fund balance goal of 90 days or 25% of operating expenditure and 120 days for the Utilities Fund to ensure fiscal stability. The budget is prepared by fund, department, and category (personnel, supplies, maintenance, contractual, and capital). Departments may reallocate resources within their department budgets, with the City Manager's approval or designee, but reallocation between funds or increases in appropriations requires Council approval.

Internal controls are designed to provide reasonable assurance regarding the safeguarding of assets, the reliability of financial reporting, and compliance with applicable laws and regulations.

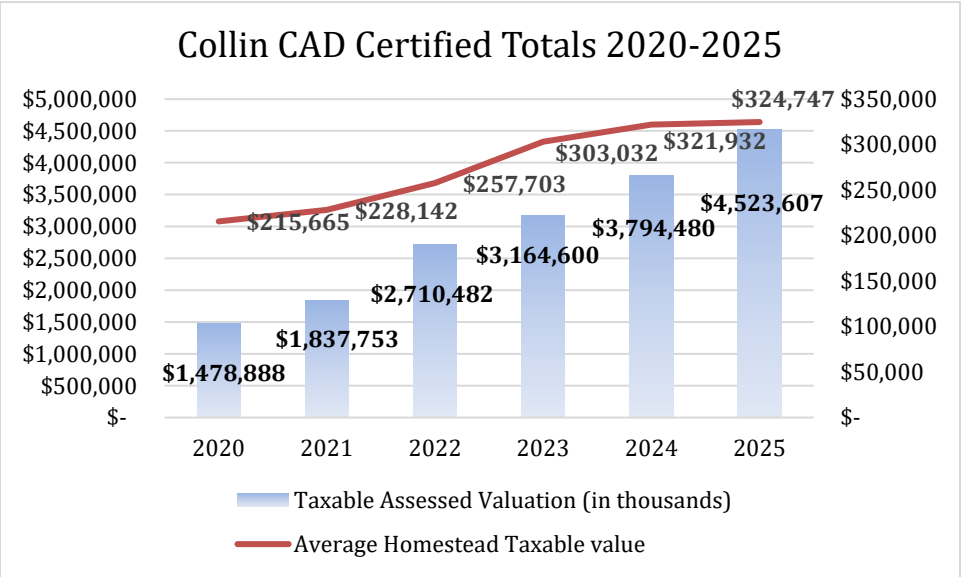
Management must also ensure that sufficient accounting data is compiled to prepare financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The contract of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues recognized when measurable and available, and expenditures recorded when services or goods are received and liabilities incurred. Accounting records for the City's utilities and other proprietary activities are maintained on a fully accrual basis.

The accompanying ACFR includes all City funds and all government activities, organizations, and functions for which the City is financially accountable, including its component units. The City's component units are legally separate entities for which the City is financially accountable but are not part of the City's operations.

ECONOMIC CONDITIONS AND OUTLOOK

The City continues to plan for and manage growth driven by the strong economy in the DFW area. As part of long-range planning efforts, the City engaged community stakeholders to update the Comprehensive Plan and Parks Master Plans. The City advanced economic development by rezoning the Bois D'Arc Professional Park from manufacturing to planned commercial, positioning the area for medical and professional office uses. Further investment was supported by issuing more than 1,600 single-family permits and over 200 commercial permits throughout the year. Additionally, Princeton is set to announce 25,000 sq. ft. of medical office buildings and approximately 400,000 sq. ft. of big-box and inline retail in early 2026. The Princeton EDC also owns approximately 43 acres of shovel-ready land for high-value mixed-use development and 30 acres for light-industrial use.



The Princeton EDC continues its efforts to attract high-quality businesses that strengthen the City's tax base and expand local employment opportunities. The City benefits from strong residential property values, anticipated new development activity, and the designation of "Fastest Growing City in America." As growth continues, the City's primary challenge remains maintaining high service levels while operating within the constraints of available revenue resources.

Additionally, the City of Princeton is planning to annex approximately 10,000 acres owned by the United States Army Corps of Engineers (USACE) along the Lake Lavon shoreline and, in cooperation with the Princeton CDC, to lease three Corps parks in anticipation of developing future tourism and entertainment options.

The City's overall financial condition is excellent, as reflected in Fitch's confirmation of its AA+ rating, with Financial Resilience rated AAA. S&P has also confirmed an AA rating, noting a stable outlook and that the rating may be raised if the City continues to manage its rapid growth while maintaining a healthy reserve position and a manageable debt burden.

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AWARDS AND ACKNOWLEDGEMENTS

It is the mission of the City of Princeton to provide a high quality of life through essential municipal services, infrastructure, public safety, and recreation, while welcoming growth through effective and fiscally responsible government. The City continues to emphasize long-term financial sustainability through capital planning, utility rate studies, pay-as-you-go funding strategies, and proactive debt management. The City previously received the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the 12th consecutive year and the Distinguished Budget Presentation Award for the 11th consecutive year. We believe this report continues to meet those high standards.

Preparation of this report would not have been possible without the professionalism and dedication of the Finance Department and the cooperation of all City departments. We extend our appreciation to the Mayor and City Council for their leadership and commitment to sound financial management.

Jeff Jones
Interim City Manager

Kelly Wilson, CPM, CGFO
Chief Financial Officer

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Princeton
Texas

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

September 30, 2024

Christopher P. Morrill

Executive Director/CEO

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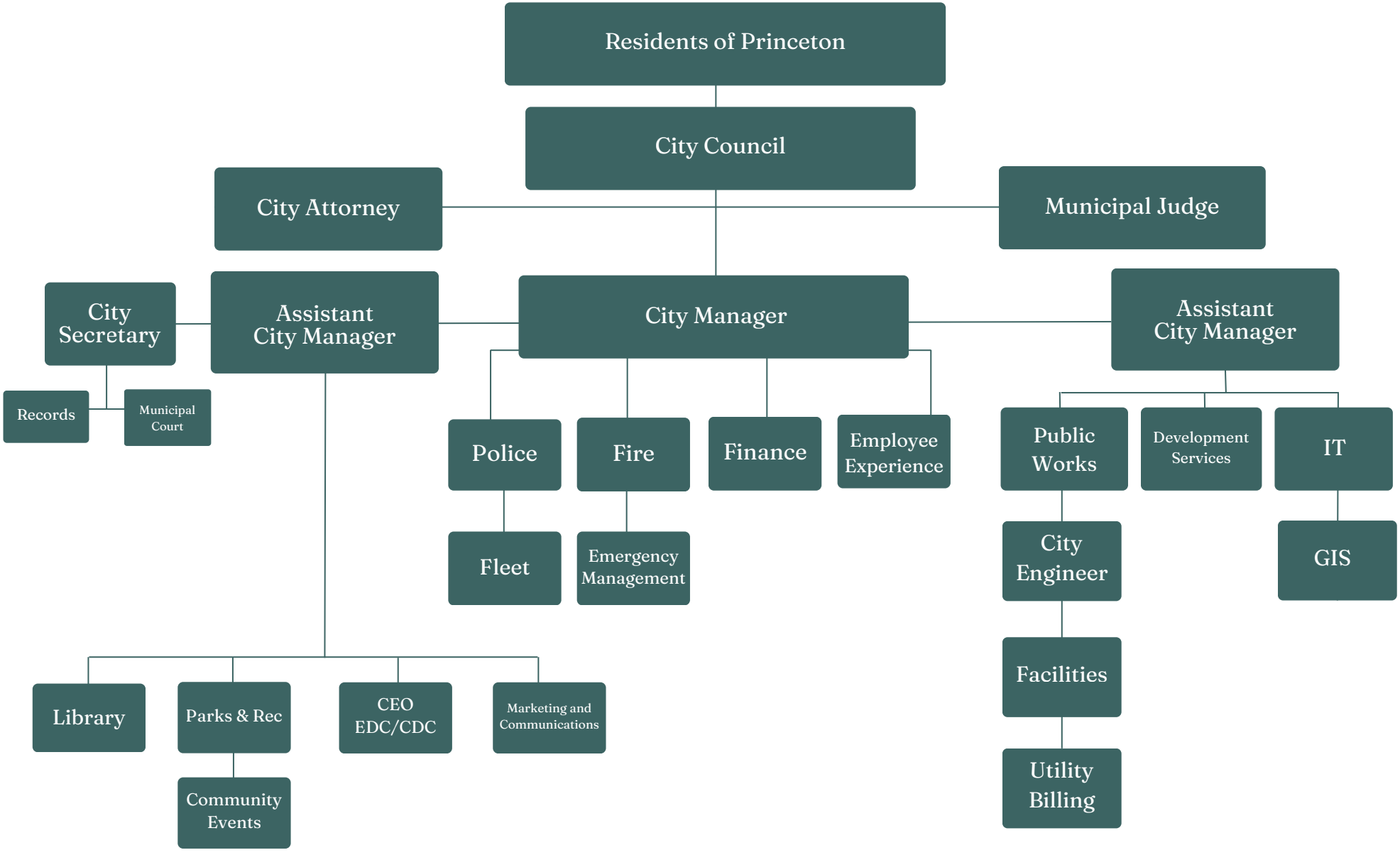
City of Princeton
Organizational Chart



Management Team

- **Jeff Jones,** Interim City Manager
- **Allison Cook,** Assistant City Manager
- **Amber Anderson,** City Secretary
- **Grant Lowry,** City Attorney
- **Dana Huffman,** City Judge

Department Directors

- **Chase Bryant,** Director of Parks & Recreation
- **Fallan Carillo,** Director of Employee Experience
- **Rick Irvine,** Director of IT Infrastructure Services
- **Erin Mudie,** Director of Marketing and Communications
- **Glenda Puckett,** Library Director
- **Shailaja Roos,** Director of Development Services
- **Shannon Stephens,** Fire Chief
- **James Waters,** Chief of Police
- **Kelly Wilson,** Chief Financial Officer

Princeton 2025 City Council

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Eugene Escobar Jr.
Mayor

Steven Deffibaugh
Mayor Pro Tem
Place 5

Terrance Johnson
Place 1

Cristina Todd
Place 2

Bryan Washington
Place 3

Ryan Gerfers
Place 4

Ben Long
Place 6

Carolyn David-Graves
Place 7

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FINANCIAL SECTION

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PATTILLO, BROWN & HILL, L.L.P.
401 West State Highway 6
Waco, Texas 76710
254.772.4901 | pbhcpa.com

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of
The City Council and Citizens
City of Princeton, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Princeton, Texas (the "City") as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Princeton, Texas' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Princeton, Texas, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standard (GAS)s*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Princeton, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I to the basic financial statements, during the year ended September 30, 2025, the City of Princeton, Texas implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Princeton, Texas' ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Audit Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Audit Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Princeton, Texas' basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the annual comprehensive financial report (ACFR). The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
March 17, 2026

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Princeton, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025
(Unaudited)

As management of the City of Princeton, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows (net position) at September 30, 2025 by $447,153,895. Of this amount, $30,403,519 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- The City's total net position increased by $101,601,044, however due to a beginning fund balance adjustment of ($8,444,285), the net position reflects an increase of $93,156,759. The majority of the City's net position are invested in capital assets and restricted for specific purposes.

- The City's governmental funds reported combined ending fund balances of $150,559,692 at September 30, 2025, an increase of $108,214,537 from the prior fiscal year; this includes an increase of $349,575 in the General Fund, an increase of $439,996 in the Debt Service Fund, an increase of $5,723,890 in the Roadway Impact Fee Fund, an increase of $4,943,651 in the Parks Impact Fee Fund, and an increase of $96,482,172 in the Capital Project Fund due to the issuance of three bonds.

- At the end of the fiscal year, unassigned fund balance for the general fund was $10,676,590 or 31% of total general fund expenditures.

- The City's total long-term obligations, including bonds, tax notes, notes payable, and lease liabilities, increased by $101,278,107 (including premiums) during the fiscal year. This increase was primarily attributable to the issuance of a general obligation bond, two certificates of obligation, and new leases for fleet vehicles. At the close of the fiscal year, total governmental long-term debt amounted to $148,553,415. Self-supporting debt of the proprietary fund was $53,667,965, representing a decrease of $1,345,815 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets and liabilities. The difference between the two is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, library, parks and recreation and development services. The business-type activities of the City include utility and storm water drainage operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also the legally separate Princeton Economic Development Corporation and Princeton Community Development Corporation, for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, roadway impact fee fund, parks impact fee fund, and capital projects fund, which are considered to be major funds.

The City adopts an annual appropriated budget for its general fund, debt service fund, roadway impact fee fund, parks impact fee fund, court fund, asset seizure fund, and American Rescue Plan Act Fund. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary funds. The City maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its utility operations. All activities associated with providing such services are accounted for in water/sewer, solid waste, and drainage operations. The City's intent is that costs of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private enterprise. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for future capital and equipment replacements.

Proprietary financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City is the trustee, or fiduciary, for certain amounts held on behalf of developers. The funding for the developments are derived from Public Improvement District ("PID") bonds that are held in trust by the City. The City is responsible for ensuring that the assets reported are used for their intended purposes. These custodial funds use the economic resources measurement focus.

Component units. The City maintains the accounting and financial statements for two component units. The Princeton Economic Development Corporation and the Princeton Community Development Corporation are reported as discrete component units on the government-wide financial statements.

Notes to the financial statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.

Required supplemental information. In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees and budgetary comparison for the general fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the City of Princeton, assets and deferred outflows exceeded liabilities and deferred inflows by $447,153,895 as of September 30, 2025, in the primary government. This reflects an increase of $93,156,759 from the prior year due to significant donated infrastructure from the various developments.

The largest portion of the City's net position, $325,974,307, or 73%, reflects its investments in capital assets (e.g., land, city hall, fire station, streets, and utility infrastructure), less any debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, $90,776,069, or 20%, represents resources that are subject to external restrictions on how they may be used. The unrestricted portion of net position which is $30,403,519, or 7%, may be used to meet the government's ongoing obligations to citizens and creditors.

Total capital assets of the primary government increased by $76,223,721 was primarily attributable to new capital contributions for street/roadway improvements and utility infrastructure in the current year.

Total long-term liabilities of governmental activities increased by $101,114,266 primarily due to the issuance of new debt during the year and an increase in OPEB, pension, accrued compensated absences and GASB 101. Business-type activities had a small increase of $163,841 due to accrued compensated absences and GASB 101.

Table 1
Condensed Statement of Net Position

	2025			2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	$ 166,837,773	$ 71,956,730	$ 238,794,503	$ 57,533,669	$ 58,410,957	$ 115,944,626
Long-term receivables	4,939,727	-	4,939,727	5,429,781	-	5,429,781
Capital Assets	190,395,882	232,913,519	423,309,401	165,062,037	182,023,643	347,085,680
Total Assets	362,173,382	304,870,249	667,043,631	228,025,487	240,434,600	468,460,087
Total deferred outflows of resources	2,028,007	440,560	2,468,567	1,569,987	505,420	2,075,407
Other liabilities	14,200,693	5,422,864	19,623,557	9,270,157	6,231,194	15,501,351
Long-Term Liabilities	148,553,415	53,667,965	202,221,380	47,439,149	53,504,124	100,943,273
Total Liabilities	162,754,108	59,090,829	221,844,937	56,709,306	59,735,318	116,444,624
Total deferred inflows of resources	500,702	12,664	513,366	78,370	15,364	93,734
Net Position:						
Net investment in Capital Assets	146,702,873	179,271,434	325,974,307	116,284,469	129,709,202	245,993,671
Restricted	37,345,462	53,430,607	90,776,069	36,774,331	11,525,654	48,299,985
Unrestricted	16,898,244	13,505,275	30,403,519	19,748,998	39,954,482	59,703,480
Total Net Position	$ 200,946,579	$ 246,207,316	$ 447,153,895	$ 172,807,798	$ 181,189,338	$ 353,997,136

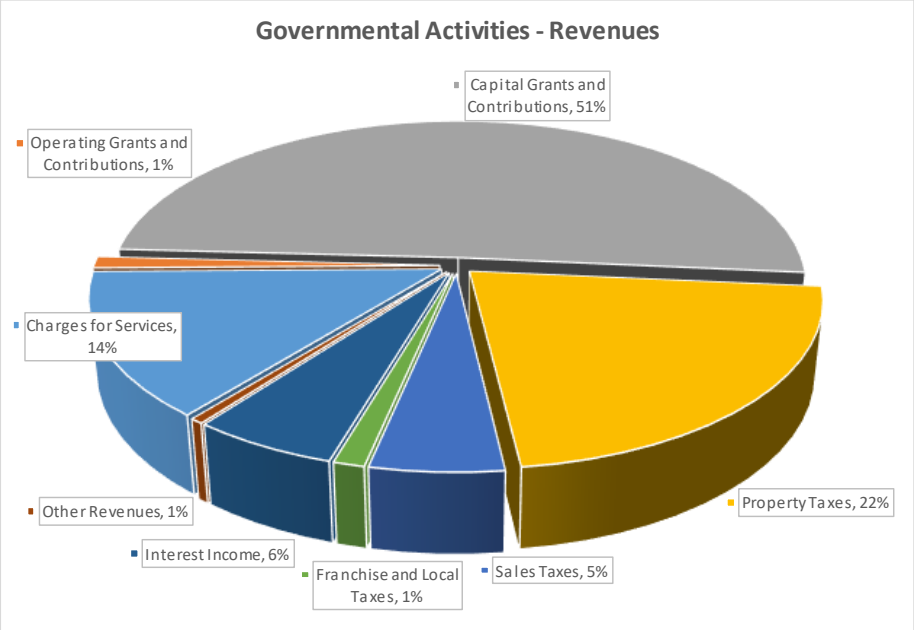
Net position for governmental activities increased by $28,138,781 compared to the prior year. This increase is primarily attributable to continued growth within the community, including an expanded tax roll and capital contributions from developers associated with the City's PIDs.

Net position for business-type activities increased by $65,017,978 from the prior year. This increase reflects significant growth in the City's utility customer base, as well as capital contributions from developers related to various PIDs within the community.

Table 2
Condensed Statement of Activities

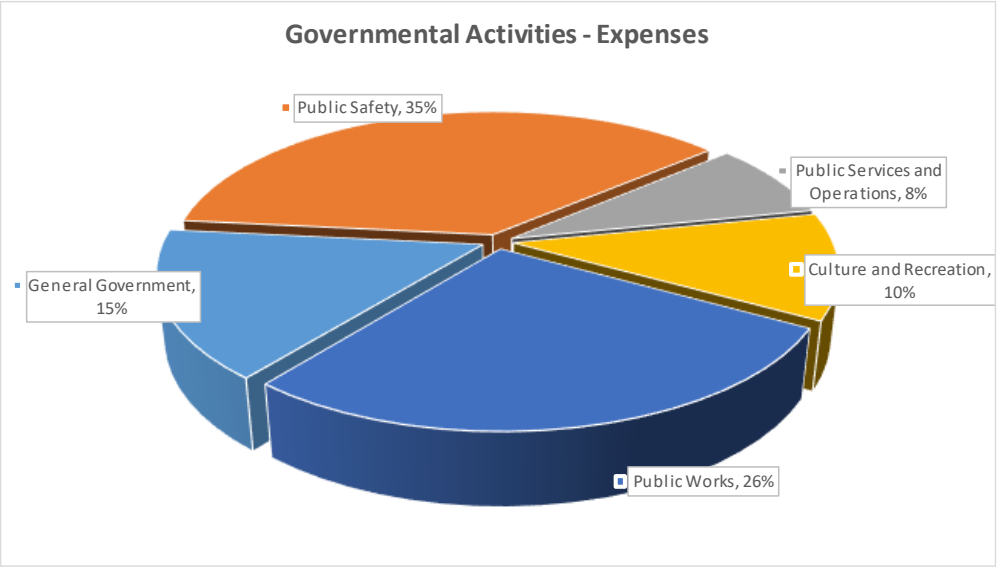
	For the Year Ended September 30, 2025			For the Year Ended September 30, 2024		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues						
Program Revenues:						
Charges for Services	$ 11,272,327	$ 48,026,737	$ 59,299,064	$ 9,194,173	$ 40,851,484	$ 50,045,657
Operating Grants and Contributions	883,605	135,580	1,019,185	931,007	-	931,007
Capital Grants and Contributions	40,935,033	51,575,610	92,510,643	37,533,955	41,944,631	79,478,586
General Revenues:						
Ad Valorem Taxes	17,534,854	-	17,534,854	14,521,870	-	14,521,870
Sales Taxes	4,234,456	-	4,234,456	4,037,443	-	4,037,443
Franchise Taxes	993,284	-	993,284	877,872	-	877,872
Investment Earnings	4,640,146	1,809,036	6,449,182	2,846,059	2,120,622	4,966,681
Miscellaneous	416,789	16,637	433,426	1,237,410	94,233	1,331,643
Total Revenues	80,910,494	101,563,600	182,474,094	71,179,789	85,010,970	156,190,759
Expenses						
General Government	6,928,019	-	6,928,019	4,938,898	-	4,938,898
Public Safety	16,317,841	-	16,317,841	12,133,301	-	12,133,301
Public Services and Operations	3,546,635	-	3,546,635	3,577,431	-	3,577,431
Culture and Recreation	4,948,603	-	4,948,603	1,504,442	-	1,504,442
Public Works	12,203,760	-	12,203,760	12,327,808	-	12,327,808
Water and Sewer	-	31,577,124	31,577,124	-	23,667,391	23,667,391
Storm Water Drainage	-	2,036,498	2,036,498	-	1,655,052	1,655,052
Interest	3,314,570	-	3,314,570	1,487,352	1,905,913	3,393,265
Total Expenses	47,259,428	33,613,622	80,873,050	35,969,232	27,228,356	63,197,588
Increase (Decrease) in Net Position Before Transfers	33,651,066	67,949,978	101,601,044	35,210,557	57,782,614	92,993,171
Transfers	2,932,000	(2,932,000)	-	1,074,892	(1,074,892)	-
Increase (Decrease) in Net Position	36,583,066	65,017,978	101,601,044	36,285,449	56,707,722	92,993,171
Net Position - Beginning, as previously reported	172,807,798	181,189,338	353,997,136	136,522,349	124,481,616	261,003,965
Error corrections	(8,444,285)	-	(8,444,285)	-	-	-
restated	164,363,513	181,189,338	345,552,851	-	-	-
Net Position - Ending	$200,946,579	$246,207,316	$447,153,895	$172,807,798	$181,189,338	$353,997,136

Graphic presentations of selected data from the summary tables are displayed below to assist in the analysis of the City's activities.



For the year ended September 30, 2025, revenues from governmental activities totaled $80,910,494. Capital grants and contributions, property taxes, and charges for services are the City's largest general revenue sources. Overall revenue increased $9,730,705 or 14%. Property taxes increased by $3,012,984 or 21% during the current year. The increase is primarily due to greater appraised property values in the current year as a result of continued growth and development throughout the community. Operating grants and contributions decreased by $47,402 or 5% primarily due to nonrecurring intergovernmental funds not received from the EDC and CDC for administrative services. Capital grants and contributions increased by $3,401,078 or 9% due to nonrecurring developer contributions in the current year. Charges for services increased by $2,078,154 or 23% primarily due to nonrecurring contract services for fire services and engineering fees from developers along with building permits in the current year. Sales taxes increased by $197,013 or 5% due to continued economic growth fueled by local purchases. Investment income increased by $1,794,087 or 63% due primarily to favorable market conditions and higher interest-bearing account balances in the current year. Franchise and local taxes increased by $115,412 or 13% primarily due to an overall increase in franchise fee income related to greater electrical, gas, and garbage usage in the current year. All other revenues remained relatively stable when compared to the previous year.

This graph shows the governmental function expenses of the City:



For the year ended September 30, 2025, expenses for governmental activities totaled $47,259,428, representing an increase of $11,290,196 or 31%, compared to the prior year. This increase reflects continued growth in City operations and expanded service demands associated with community development.

Public safety represents the City's largest functional expense, totaling $16,317,841. Public safety expenses increased by $4,184,540 or 34%, primarily due to higher personnel costs resulting from additional staffing, annual compensation adjustments approved during the fiscal year, and contracted services with Collin County dispatch and animal control services.

General government expenses totaled $6,928,019, an increase of $1,989,121, or 40% from the prior year. The increase is largely attributable to fully staffing the City Manager's Office and Finance Department, increased legal service costs, and higher election-related expenditures associated with a runoff election held during the fiscal year.

In addition, governmental activities experienced increases in depreciation expenses and interest expense due to capital asset additions and interest payments related to the City's 2024 Certificates of Obligation.

For the year ended September 30, 2025, charges for services by business-type activities totaled $48,026,737, representing an increase of $7,175,253 or 18%, from the prior year. This increase primarily attributable to continued population growth within the City, resulting in a higher number of active utility accounts and greater overall utility consumption during the fiscal year.

Operating grants increased by $135,580 due to nonrecurring reimbursement received from the Greater Texoma Utility Authority (GTUA) related to the South Elevated Storage Tank project. Capital grants and contributions increased by $9,630,979, or approximately 23%, primarily as a result of capital contributions received from developers associated with ongoing development and infrastructure expansion within the City.

Investment income decreased by $311,586 or approximately 15%, primarily due to lower average balances held in interest-bearing accounts during the fiscal year.

Total expenses for business-type activities increased $6,385,266 or 23%, to a total of $33,613,622. This increase was due primarily driven by higher water purchases from the North Texas Municipal Water District, increased water rates, and higher solid waste collection costs, all of which correspond with the growth in active customer accounts compared to the prior year. Personnel costs also increased due to salary adjustments implemented during the fiscal year.

Stormwater drainage expenses increased $381,446, or 23%, primarily due to increased personnel costs and higher depreciation expense associated with additional infrastructure.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

Governmental funds. The focus of the City's governmental funds is to provide information of near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

Table 3
Condensed Balance Sheet of the Governmental Funds

	General Fund	Debt Service	Roadway Impact Fees	Parks Impact Fees	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS	$20,713,148	$10,080,078	$18,923,269	$15,787,702	$105,211,887	$ 1,405,919	$172,122,003
LIABILITIES	9,846,142	6,685	15,810	1,722,466	3,376,868	885,451	15,853,422
DEFERRED INFLOWS OF RESOURCES	179,569	5,529,320	-	-	-	-	5,708,889
FUND BALANCES	$ 10,687,437	$ 4,544,073	$ 18,907,459	$ 14,065,236	$ 101,835,019	$ 520,468	$ 150,559,692

At September 30, 2025, the City's governmental funds reported combined fund balances of $150,559,692, an increase of $108,214,537 in comparison with the prior year. Approximately 7% of this amount, $10,676,590, constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is either nonspendable or restricted. The amount not in spendable form is $10,847.

As of September 30, 2025, the General Fund reported a total fund balance of $10,687,437. Of this amount, $10,847 is considered nonspendable and $10,676,590 is unassigned.

The General Fund balance increased by $349,575 during the fiscal year, compared to the budgeted increase of $279,340. The favorable variance was primarily attributable to higher-than-anticipated investment earnings resulting from favorable market conditions, along with operational savings of approximately $299,551 compared to the amended budget.

As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. The total fund balance of general fund is 31% of total general fund expenditures. The unassigned (the amount available for spending) fund balance of the general fund of $10,676,590 is 31% of total general fund expenditures.

The debt service fund had an ending fund balance of $4,544,073 at September 30, 2025, an increase of $439,996. The increase was a result of greater than anticipated property tax and interest income during the current year.

The roadway impact fee fund had an ending fund balance of $18,907,459, an increase of $5,723,890. The increase was primarily a result of no capital projects done during the year.

The parks impact fee fund had an ending fund balance of $14,065,236, an increase of $4,943,651. The increase is primarily due to a $5.1 million contribution for the JJ Book skate park in the current year. During the year, the City expended $5,834,442 on various projects, utilizing funds designated for capital projects. Capital outlay expenses increased by $4,547,263 when compared to the prior year as a result of the approved GO bonds park projects.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Total net position for the utility and storm draining fund totaled $246,207,316. Unrestricted net position of the enterprise funds at the close of the fiscal year amounted to $13,505,275. Total net position increased $65,017,978. The funds had net investment in capital assets of $179,271,434. The City operates and maintains a utility distribution system with force mains and lift stations. The following are additional comments regarding operations of the enterprise fund:

- The City received capital contributions of $51,575,610 consisting of utility infrastructure.
- Operational expenses excluding depreciation and amortization were $22,333,043.
- Cash and cash equivalents in the proprietary funds were $9,766,828 at fiscal year-end.

An internal service fund was established to track and allocate resources for future equipment replacements. The General Fund and Utility Fund did not contribute to the Internal Service Fund during the fiscal year. Management plans to include a formal funding strategy in the FY2027 budget to provide for future equipment replacements. The ending fund balance was $2,000,000, which will be retained to support future equipment acquisitions.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues exceeded the final budget of $124,050 during the fiscal year. Expenditures were $299,551 below the final budgeted appropriations, resulting in a favorable expenditure variance.

The final budget anticipated that expenditures would exceed revenues by $4,995,005 before other financing sources and uses. Actual results reflected a deficit of $4,571,404, representing a favorable variance of $423,601 compared to the final budget.

After considering other financing sources and uses, the General Fund reported an actual increase in fund balance of $349,575 compared to the budget increase of $279,340.

CAPITAL ASSETS

As of the end of the year, the City's governmental activities funds had invested $190,395,882 in a variety of capital assets and infrastructure, net of accumulated depreciation. The City's business-type activities funds had invested $232,913,519 in a variety of capital assets and infrastructure, net of accumulated depreciation. This investment in capital assets includes land, buildings, vehicles, equipment, park improvements, and infrastructure. The City's total investment in capital assets increased by $76,223,721, net of depreciation.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 6,454,817	$ 5,775,180	$ 288,763	$ 286,763	$ 6,743,580	$ 6,061,943
Construction in progress	8,591,569	13,838,007	24,429,437	16,940,030	33,021,006	30,778,037
Buildings and improvements	41,456,682	32,660,474	90,067	14,062	41,546,749	32,674,536
Machinery and equipment	7,816,316	4,470,924	1,235,150	671,452	9,051,466	5,142,376
Infrastructure	124,504,925	107,757,249	206,802,678	163,959,706	331,307,603	271,716,955
Right to use assets	1,571,573	560,203	67,424	151,630	1,638,997	711,833
Total	$ 190,395,882	$ 165,062,037	$ 232,913,519	$ 182,023,643	$ 423,309,401	$ 347,085,680

Major capital asset events during the current fiscal year included the following:

- Park improvements and land acquisition $6,530,000.
- Roadway improvements $1,291,000.
- Public safety fleet and equipment additions $4,582,000.
- Public works water and sewer system improvements $8,026,000 and heavy machinery and equipment additions $828,000.
- Developer contributed roadway, water, sewer, and storm drainage infrastructure $75,026,000.

More detailed information about the City's capital assets is presented in note III.C to the financial statements.

DEBT ADMINISTRATION

At the end of the current fiscal year, the City had total debt obligations (including premiums) of $251,880,362. Of this amount, $53,151,018 is self-supporting through revenues collected from the rates of the City's utility fund. All of the City's debt is backed by a full-faith credit pledge of property taxes with a limited pledge of revenues of the enterprise/utility system. The City monitors its debt obligations and callable bonds for refinancing opportunities with market conditions. The City entered into new notes payable agreements totaling $825,312 in the current year. The City entered into multiple lease agreements during the current year totaling $1,449,671.

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Certificates of obligation	$ 72,810,000	$ 34,000,000	$ 5,334,860	$ 5,688,569	$ 78,144,860	$ 39,688,569
General obligation bonds	55,635,139	1,806,430	18,990,000	19,210,000	74,625,139	21,016,430
Premium on bonds	6,720,379	3,283,825	1,236,875	1,294,318	7,957,254	4,578,143
Contractual obligations - GTUA	-	-	27,530,000	28,230,000	27,530,000	28,230,000
Notes payable	3,259,285	3,323,650	-	-	3,259,285	3,323,650
Tax notes	5,595,000	7,170,000	-	-	5,595,000	7,170,000
Lease liabilities	1,558,523	544,360	59,283	136,020	1,617,806	680,380
Compensated absences	1,557,271	1,401,931	302,045	239,971	1,859,316	1,641,902
Total	$ 147,135,597	$ 51,530,196	$ 53,453,063	$ 54,798,878	$ 200,588,660	$ 106,329,074

More detailed information about the City's long-term liabilities is presented in note III. D and E to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The City of Princeton continues to experience significant residential and commercial development, which remains the primary economic factor affecting the City's financial condition. Ongoing growth in taxable assessed valuation has expanded the City's property tax base and increased demand for municipal services, infrastructure capacity, and capital investment.

The fiscal year 2025-2026, total taxable assessed valuation increased substantially due to new construction and market value growth. New property added to the tax roll generated approximately $2.3 million in additional property tax revenue. Overall property tax revenues are projected to increase by approximately 18.7 percent compared to the prior fiscal year, primarily attributable to growth in valuation rather than a change in tax rate.

The City Council adopted a property tax rate of $0.440226 per $100 assessed value, for fiscal year 2025-2026, which is unchanged from the prior fiscal year. The adopted rate is intended to provide revenue stability while supporting operational needs and capital improvements associated with continued growth.

The fiscal year 2025-2026 adopted budget includes total revenues of approximately $114.9 million and total expenditures of approximately $152.7 million across all funds (excluding transfers). The expenditure total includes approximately $70.4 million in capital project appropriations. Capital projects are budgeted on a multi-year basis and are funded through a combination of bond proceeds, dedicated revenues, and other financing sources. Operating expenditures were developed to maintain service levels, address personnel and contractual cost increases, and support additional staffing necessary to meet service demands resulting from population growth.

Regional economic conditions within the Dallas-Fort Worth metropolitan area remain favorable and continue to support residential development and related economic activity within the City. While inflationary pressures and market interest rate conditions remain factors in financial planning, the City's long-term financial policies, conservative budgeting practices, and maintained fund balance levels position the City to manage economic variability.

The City will continue to monitor property value trends, development activity, state legislative impacts, and broader economic conditions during fiscal year 2025-2026. Management remains committed to maintaining structural budget balance in the General Fund, preserving adequate fund balance reserves in accordance with policy, and strategically planning capital improvements to address infrastructure needs associated with continued growth.

REQUESTS FOR INFORMATION

The financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, contact the Department of Finance at 2000 E. Princeton Drive, Princeton Texas 75407 or call (972) 736-2416.

PRINCETON

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BASIC
FINANCIAL STATEMENTS

CITY OF PRINCETON, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 57,545,134	$ 9,766,828	$ 67,311,962
Restricted cash and cash equivalents	109,629,943	53,776,472	163,406,415
Receivables, net	1,506,297	5,932,075	7,438,372
Note receivable due from component unit	490,055	-	490,055
Inventories	8,347	136,852	145,199
Prepaids	2,500	-	2,500
Internal balances	(2,344,503)	2,344,503	-
Total current assets	166,837,773	71,956,730	238,794,503
Noncurrent assets:			
Note receivable due from component unit	4,939,727	-	4,939,727
Note receivable	-	-	-
Capital assets:			
Non-depreciable	15,046,386	24,718,200	39,764,586
Net depreciable capital assets	175,349,496	208,195,319	383,544,815
Total noncurrent assets	195,335,609	232,913,519	428,249,128
Total assets	362,173,382	304,870,249	667,043,631
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	50,298	194,880	245,178
Deferred outflow related to pensions	1,957,261	242,869	2,200,130
Deferred outflow related to OPEB	20,448	2,811	23,259
Total deferred outflows of resources	2,028,007	440,560	2,468,567

The accompanying notes to financial statements are an integral part of this statement.

Component Units	
EDC	CDC
$ 9,003,986	$ 4,498,021
-	-
423,931	389,050
-	-
-	-
-	-
-	-
9,427,917	4,887,071
-	-
1,258,164	-
2,052,748	366,051
1,585,487	1,446,366
4,896,399	1,812,417
14,324,316	6,699,488
-	-
-	-
-	-
-	-

CITY OF PRINCETON, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable and accrued liabilities	$ 4,716,200	$ 2,360,577	$ 7,076,777
Developer deposits	8,719,912	36,993	8,756,905
Customer deposits	-	2,890,823	2,890,823
Unearned revenue - escrows	72,807	-	72,807
Accrued interest payable	691,774	134,471	826,245
Due within one year:			
Compensated absences	656,804	127,392	784,196
Long-term debt	5,394,768	1,376,649	6,771,417
Total OPEB liability	3,604	400	4,004
Due in more than one year:			
Compensated absences	900,467	174,653	1,075,120
Long-term debt	140,183,558	51,774,369	191,957,927
Net pension liability	1,273,291	192,995	1,466,286
Total OPEB liability	140,923	21,507	162,430
Total liabilities	162,754,108	59,090,829	221,844,937
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	435,927	5,802	441,729
Deferred inflow related to OPEB	64,775	6,862	71,637
Total deferred inflows of resources	500,702	12,664	513,366
NET POSITION			
Net investment in capital assets	146,702,873	179,271,434	325,974,307
Restricted for:			
Debt service	3,852,299	-	3,852,299
TIRZ activities	168,694	-	168,694
Impact fees	32,972,695	14,554,774	47,527,469
PEG	95,987	-	95,987
Public safety	255,787	-	255,787
Capital replacement	-	35,787,325	35,787,325
Storm water	-	3,088,508	3,088,508
Economic development	-	-	-
Unrestricted	16,898,244	13,505,275	30,403,519
Total net position	$ 200,946,579	$ 246,207,316	$ 447,153,895

The accompanying notes to financial statements are an integral part of this statement.

Component Units	
EDC	CDC
$ 22,357	$ 25,996
-	-
-	-
-	-
-	-
2,406	2,406
54,335	435,720
-	-
3,299	3,299
642,387	4,297,339
-	-
-	-
724,784	4,764,760
-	-
-	-
-	-
3,638,235	1,812,417
-	-
-	-
-	-
-	-
-	-
-	-
9,961,297	122,311
-	-
$ 13,599,532	$ 1,934,728

CITY OF PRINCETON, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
Governmental activities:			
General government	$ 6,928,019	$ 487,543	$ 303,453
Public safety	16,317,841	2,360,520	579,942
Public services and operations	3,546,635	7,931,206	-
Culture and recreation	4,948,603	416,413	210
Public works	12,203,760	76,645	-
Interest	3,314,570	-	-
Total governmental activities	47,259,428	11,272,327	883,605
Business-type activities:			
Water & sewer	31,577,124	46,889,057	135,580
Storm water drainage	2,036,498	1,137,680	-
Total business-type activities	33,613,622	48,026,737	135,580
Total primary government	$ 80,873,050	$ 59,299,064	$ 1,019,185
Component units:			
Princeton Economic Development Corporation	426,913	-	-
Princeton Community Development Corporation	473,701	-	-
Total component units	900,614	-	-

General revenues:	
Property taxes	
Sales taxes	
Franchise and local taxes	
Investment earnings	
Miscellaneous	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position - beginning, as previously reported	
Error corrections	
Net position - beginning, as restated	
Net position - ending	

The accompanying notes to financial statements are an integral part of this statement.

Program Revenues	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	EDC	CDC
$ 3,619,446	$ (2,517,577)	$ -	$ (2,517,577)	$ -	$ -
-	(13,377,379)	-	(13,377,379)	-	-
-	4,384,571	-	4,384,571	-	-
7,897,640	3,365,660	-	3,365,660	-	-
29,417,947	17,290,832	-	17,290,832	-	-
-	(3,314,570)	-	(3,314,570)	-	-
40,935,033	5,831,537	-	5,831,537	-	-
44,949,595	-	60,397,108	60,397,108	-	-
6,626,015	-	5,727,197	5,727,197	-	-
51,575,610	-	66,124,305	66,124,305	-	-
$ 92,510,643	5,831,537	66,124,305	71,955,842	-	-
-				(426,913)	-
-				-	(473,701)
-				(426,913)	(473,701)
	17,534,854	-	17,534,854	-	-
	4,234,456	-	4,234,456	2,252,098	2,252,098
	993,284	-	993,284	-	-
	4,640,146	1,809,036	6,449,182	384,640	130,685
	416,789	16,637	433,426	-	-
	2,932,000	(2,932,000)	-	-	-
	30,751,529	(1,106,327)	29,645,202	2,636,738	2,382,783
	36,583,066	65,017,978	101,601,044	2,209,825	1,909,082
	172,807,798	181,189,338	353,997,136	11,389,707	25,646
	(8,444,285)	-	(8,444,285)	-	-
	164,363,513	-	345,552,851	-	-
	$ 200,946,579	$ 246,207,316	$ 447,153,895	$ 13,599,532	$ 1,934,728

CITY OF PRINCETON, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	General Fund	Debt Service	Roadway Impact Fees
ASSETS			
Cash and cash equivalents	$ 10,800,082	$ 4,550,758	$ 18,923,269
Receivables, net	1,394,752	99,538	-
Notes receivable (CU's)	-	5,429,782	-
Inventories	8,347	-	-
Prepaids	2,500	-	-
Restricted assets:			
Cash and cash equivalents	8,507,467	-	-
Total assets	20,713,148	10,080,078	18,923,269
LIABILITIES			
Accounts payable and accrued liabilities	1,338,675	6,685	15,810
Developer deposits	8,507,467	-	-
Unearned revenue - escrows	-	-	-
Due to other funds	-	-	-
Total liabilities	9,846,142	6,685	15,810
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	152,310	99,538	-
Notes receivable (CU's)	-	5,429,782	-
Unavailable revenue - court fines	27,259	-	-
Total deferred inflow of resources	179,569	5,529,320	-
FUND BALANCES (DEFICITS)			
Nonspendable:			
Inventories	8,347	-	-
Prepaids	2,500	-	-
Restricted for:			
Debt service	-	4,544,073	-
Capital improvements	-	-	18,907,459
TIRZ	-	-	-
Public safety	-	-	-
Parks and recreation	-	-	-
PEG	-	-	-
Unassigned	10,676,590	-	-
Total fund balances	10,687,437	4,544,073	18,907,459
Total liabilities, deferred inflows and fund balances	$ 20,713,148	$ 10,080,078	$ 18,923,269

The accompanying notes to financial statements are an integral part of this statement.

Parks Impact Fees	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
$ 15,783,546	$ 4,085,668	$ 1,401,811	$ 55,545,134
4,156	3,743	4,108	1,506,297
-	-	-	5,429,782
-	-	-	8,347
-	-	-	2,500
-	101,122,476	-	109,629,943
15,787,702	105,211,887	1,405,919	172,122,003
1,722,466	819,920	812,644	4,716,200
-	212,445	-	8,719,912
-	-	72,807	72,807
-	2,344,503	-	2,344,503
1,722,466	3,376,868	885,451	15,853,422
-	-	-	251,848
-	-	-	5,429,782
-	-	-	27,259
-	-	-	5,708,889
-	-	-	8,347
-	-	-	2,500
-	-	-	4,544,073
-	101,835,019	-	120,742,478
-	-	168,694	168,694
-	-	255,787	255,787
14,065,236	-	-	14,065,236
-	-	95,987	95,987
-	-	-	10,676,590
14,065,236	101,835,019	520,468	150,559,692
$ 15,787,702	$ 105,211,887	$ 1,405,919	$ 172,122,003

PRINCETON

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CITY OF PRINCETON, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

Total Fund Balance - Total Governmental Funds	$	150,559,692
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		190,395,882
Internal service funds are used by management to charge the cost vehicle replacement to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position.		2,000,000
Revenues not recognized as revenue until future periods are deferred in the funds.		5,708,889
Accrued Interest Payable on long-term debt does not require current financial resources. Therefore, accrued interest payable is not reported as a liability in the Governmental Funds Balance Sheet.		(691,774)
Deferred outflows of resources associated with pension and OPEB obligations and deferred charges on refunding do not require current financial resources. Therefore, the following deferred outflows are not reported in the funds.		2,028,007
Long-Term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.		
General obligation bonds		(55,635,139)
Certificates of obligation		(72,810,000)
Tax notes		(5,595,000)
Financing arrangements		(3,259,285)
Leases payable		(1,558,523)
Unamortized bond premiums		(6,720,379)
Compensated absences		(1,557,271)
TMRS pension plan		(1,273,291)
OPEB liability - TMRS SDBF		(144,527)
Deferred inflows of resources associated with pension long-term debt do not require current financial resources. Therefore, the following deferred inflows are not reported in the funds.		(500,702)
Net Position of Governmental Activities	$	200,946,579

The accompanying notes to financial statements
are an integral part of this statement.

CITY OF PRINCETON, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	General Fund	Debt Service	TIRZ
REVENUES			
Property taxes	$ 9,849,373	$ 7,110,528	
Sales taxes	4,234,456	-	
Franchise and local taxes	993,284	-	
Impact and development fees	-	-	
Charges for services	3,506,950	-	
License and permits	7,273,888	-	
Intergovernmental	550,407	1,240,531	
Fines and forfeitures	431,703	-	
Contributions	-	-	
Investment earnings	2,505,020	211,493	
Miscellaneous	393,519	-	
Total revenues	29,738,600	8,562,552	
EXPENDITURES			
Current:			
General government	5,289,689	-	
Development services	2,866,963	-	
Public works	2,442,655	-	
Public safety	15,377,411	-	
Culture and recreation	3,376,997	-	
Debt service:			
Principal	1,261,853	6,106,291	
Interest and fiscal charges	227,335	2,016,265	
Bond issuance costs	-	-	
Capital outlay	3,467,101	-	
Total expenditures	34,310,004	8,122,556	
Excess (deficiency) of revenues over expenditures	(4,571,404)	439,996	
OTHER FINANCING SOURCES (USES)			
Transfers in	3,028,583	-	
Transfers out	(399,896)	-	
Proceeds on sale of fixed assets	17,309	-	
Issuance of bonds	-	-	
Premium on issuance of bonds	-	-	
Note issuance	825,312	-	
Lease issuance	1,449,671	-	
Total other financing sources (uses)	4,920,979	-	
Net change in fund balances	349,575	439,996	
FUND BALANCES			
Fund balances - beginning			
As previously reported	10,337,862	4,104,077	57,186
Adjustments:			
Changes in reporting entity	-	-	(57,186)
Errors and corrections	-	-	-
Total Adjustments	-	-	(57,186)
Fund balances - beginning			
As restated	10,337,862	4,104,077	-
Fund balances - ending	$ 10,687,437	$ 4,544,073	$ -

The accompanying notes to financial statements are an integral part of this part.

Roadway Impact Fees	Parks Impact Fees	Capital Projects	Total Nonmajor Funds	Total Governmental Funds
$ -	$ -	$ -	$ 533,463	$ 17,493,364
-	-	-	-	4,234,456
-	-	-	17,825	1,011,109
5,837,387	2,543,484	-	-	8,380,871
-	-	-	-	3,506,950
-	-	-	-	7,273,888
-	254,156	-	3,624,687	5,669,781
-	-	-	93,225	524,928
-	5,100,000	-	-	5,100,000
419,732	157,554	1,346,164	183	4,640,146
-	3,903	-	-	397,422
6,257,119	8,059,097	1,346,164	4,269,383	58,232,915
-	-	-	439,668	5,729,357
-	-	-	-	2,866,963
-	-	-	-	2,442,655
-	-	-	34,912	15,412,323
-	-	-	-	3,376,997
-	-	-	-	7,368,144
-	-	-	-	2,243,600
-	-	835,099	-	835,099
533,229	5,834,442	2,412,133	3,619,446	15,866,351
533,229	5,834,442	3,247,232	4,094,026	56,141,489
5,723,890	2,224,655	(1,901,068)	175,357	2,091,426
-	2,718,996	-	99,896	5,847,475
-	-	(2,515,579)	-	(2,915,475)
-	-	-	-	17,309
-	-	97,170,000	-	97,170,000
-	-	3,728,819	-	3,728,819
-	-	-	-	825,312
-	-	-	-	1,449,671
-	2,718,996	98,383,240	99,896	106,123,111
5,723,890	4,943,651	96,482,172	275,253	108,214,537
16,119,301	13,804,495	-	6,366,519	50,789,440
(2,935,732)	-	5,352,847	(2,359,929)	-
-	(4,682,910)	-	(3,761,375)	(8,444,285)
(2,935,732)	(4,682,910)	5,352,847	(6,121,304)	(8,444,285)
13,183,569	9,121,585	5,352,847	245,215	42,345,155
$ 18,907,459	$ 14,065,236	$ 101,835,019	$ 520,468	$ 150,559,692

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CITY OF PRINCETON, TEXAS

RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Net change in fund balances - total governmental funds		$ 108,214,537
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets acquired in the current period including those acquired through capital contributions and grants.		
Capital additions purchased and traded		39,103,381
The net effect of various miscellaneous transactions involving capital assets (i.e. sales and trade-ins).		(535,291)
Depreciation expense on capital assets is reported in the Statement of Activities, but does not require the use of current financial resources. This is the net amount of depreciation expense recorded in the current period.		(13,170,912)
Certain revenues are deferred in the funds. These are the changes in these amounts this year.		(902,981)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt uses the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued; whereas, the amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Issuance of bonds, notes, leases payable	(103,173,802)	
Principal retirement	7,368,143	
Amortization of premiums/discounts due to bond issuance	286,676	
		(95,518,983)
Accrued interest expense on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources; therefore, accrued interest expense is not reported as expenditures in the governmental funds.		(522,546)
Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the governmental funds. However, the Statement of Activities is presented on an accrual basis and expenses are reported when incurred. This amount is the net effect of these differences.		
Compensated absences	(155,340)	
Pension liability	109,948	
OPEB	(38,747)	
		(84,139)
Change in net position of governmental activities.		$ 36,583,066

The accompanying notes to financial statements
are an integral part of this part.

CITY OF PRINCETON, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Business-type Activities		Business-type Activities	Governmental Activities
	Water & Sewer	Storm Water Drainage	Total Proprietary Funds	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	$ 6,844,998	$ 2,921,830	$ 9,766,828	$ 2,000,000
Receivables (net of allowance for doubtful accounts)	5,746,364	185,711	5,932,075	-
Due from other funds	2,344,503	-	2,344,503	-
Inventories	136,852	-	136,852	-
Restricted assets:				
Cash and cash equivalents	53,776,472	-	53,776,472	-
Total current assets	68,849,189	3,107,541	71,956,730	2,000,000
Noncurrent assets:				
Capital assets				
Non-depreciables	24,718,200	-	24,718,200	-
Net depreciable capital assets	171,293,572	36,901,747	208,195,319	-
Total noncurrent assets	196,011,772	36,901,747	232,913,519	-
Total assets	264,860,961	40,009,288	304,870,249	2,000,000
DEFERRED OUTFLOWS OF RESOURCES				
Pension outflows	224,802	18,067	242,869	-
OPEB outflows	2,602	209	2,811	-
Deferred charges on refunding	194,880	-	194,880	-
Total deferred outflows of resources	422,284	18,276	440,560	-

The accompanying notes to financial statements are an integral part of this statement.

CITY OF PRINCETON, TEXAS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

SEPTEMBER 30, 2025

	Business-type Activities		Bursiness-type Activities	Governmental Activities
	Water & Sewer	Storm Water Drainage	Total Proprietary Funds	Internal Service Funds
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	$ 2,351,339	$ 9,238	$ 2,360,577	$ -
Customer deposits	2,890,823	-	2,890,823	-
Developer deposits	36,993	-	36,993	-
Accrued interest payable	134,471	-	134,471	-
Compensated absences	122,693	4,699	127,392	-
Bonds, notes and leases payable	1,376,649	-	1,376,649	-
Total OPEB liability	360	40	400	-
Total current liabilities	6,913,328	13,977	6,927,305	-
Noncurrent liabilities:				
Compensated absences	168,210	6,443	174,653	-
Bonds, notes, and leases payable	51,774,369	-	51,774,369	-
Net pension liability	178,637	14,358	192,995	-
Total OPEB liability	19,917	1,590	21,507	-
Total noncurrent liabilities	52,141,133	22,391	52,163,524	-
Total liabilities	59,054,461	36,368	59,090,829	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow related to pensions	5,371	431	5,802	-
Deferred inflow related to OPEB	6,352	510	6,862	-
Total deferred inflows of resources	11,723	941	12,664	-
NET POSITION				
Net investment in capital assets	142,369,687	36,901,747	179,271,434	-
Restricted for:				
Impact fees	14,554,774	-	14,554,774	-
Storm water	-	3,088,508	3,088,508	-
Capital replacement	35,787,325	-	35,787,325	-
Vehicle replacement	-	-	-	2,000,000
Unrestricted	13,505,275	-	13,505,275	-
Total net position	$ 206,217,061	$ 39,990,255	$ 246,207,316	$ 2,000,000

The accompanying notes to financial statements are an integral part of this statement.

CITY OF PRINCETON, TEXAS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities			Governmental Activities
	Water & Sewer	Storm Water Drainage	Total Proprietary Funds	Internal Service Funds
OPERATING REVENUES				
Charges for services	$ 34,465,575	$ 1,137,680	$ 35,603,255	$ -
Other revenue	16,637	-	16,637	-
Total operating revenues	34,482,212	1,137,680	35,619,892	-
OPERATING EXPENSES				
Personnel services	2,916,388	236,008	3,152,396	-
Supplies and materials	1,344,852	21,625	1,366,477	-
Repairs and maintenance	687,993	70,936	758,929	-
Water purchases	6,952,869	-	6,952,869	-
Utilities	4,160,139	-	4,160,139	-
Sewer treatment	5,236,052	-	5,236,052	-
Other services & charges	656,607	49,574	706,181	-
Depreciation expense	7,771,133	1,658,355	9,429,488	-
Total operating expenses	29,726,033	2,036,498	31,762,531	-
Operating income (loss)	4,756,179	(898,818)	3,857,361	-
NONOPERATING REVENUES (EXPENSES)				
Impact fees	12,423,482	-	12,423,482	-
Intergovernmental	135,580	-	135,580	-
Investment earnings	1,743,719	65,317	1,809,036	-
Interest expense and fiscal charges	(1,851,091)	-	(1,851,091)	-
Total nonoperating revenues (expenses)	12,451,690	65,317	12,517,007	-
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	17,207,869	(833,501)	16,374,368	-
CAPITAL CONTRIBUTIONS AND TRANSFERS				
Capital contributions	44,949,595	6,626,015	51,575,610	-
Transfers out	(2,932,000)	-	(2,932,000)	-
Change in net position	59,225,464	5,792,514	65,017,978	-
Total net position - beginning	146,991,597	34,197,741	181,189,338	2,000,000
Total net position - ending	$ 206,217,061	$ 39,990,255	$ 246,207,316	$ 2,000,000

The accompanying notes to financial statements are an integral part of this statement.

CITY OF PRINCETON, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Business-type Activities			Governmental Activities
	Water and Sewer	Storm Water Drainage	Total Proprietary Funds	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	$ 33,893,577	$ 1,074,721	$ 34,968,298	$ -
Cash payments to suppliers for goods and services	(2,877,437)	(73,674)	(2,951,111)	-
Cash payments to employees for services	(19,028,048)	(304,288)	(19,332,336)	-
Net cash provided by (used for) operating activates	11,988,092	696,759	12,684,851	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash recived from operating grants	135,580	-	135,580	
Transfers in (out) to other funds	(2,932,000)	-	(2,932,000)	-
Net cash provided by (used for) noncapital financing activities	(2,796,420)	-	(2,796,420)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(8,743,754)	-	(8,743,754)	-
Principal paid on debt	(1,350,446)	-	(1,350,446)	-
Interest paid on debt	(1,897,734)	-	(1,897,734)	-
Capital contributions - impact fees	12,423,482	-	12,423,482	-
Net cash provided by (used for) capital and related financing activities	431,548	-	431,548	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest income	1,743,719	65,317	1,809,036	-
Net cash provided by (used for) investing activities	1,743,719	65,317	1,809,036	-
Net increase (decrease) in cash and cash equivalents	11,366,939	762,076	12,129,015	-
Cash and cash equivalents at beginning of year	49,254,531	2,159,754	51,414,285	2,000,000
Cash and cash equivalents at end of year	$ 60,621,470	$ 2,921,830	$ 63,543,300	$ 2,000,000
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 4,756,179	$ (898,818)	$ 3,857,361	$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	7,771,133	1,658,355	9,429,488	-
Changes in assets and liabilities:				
Accounts receivable	(1,105,084)	(62,959)	(1,168,043)	-
Prepaids	599	-	599	
Inventory	(51,855)	-	(51,855)	-
Accounts payable and accrued liabilities	259,179	(2,475)	256,704	-
Due from other funds	(197,459)	-	(197,459)	-
Compensated absences	57,926	4,148	62,074	-
Customer deposits	516,449	-	516,449	-
OPEB liability	(3,574)	64	(3,510)	-
Net pension liability	(15,401)	(1,556)	(16,957)	-
Net cash provided by (used for)operating activities	$ 11,988,092	$ 696,759	$ 12,684,851	$ -
SCHEDULE OF NON-CASH CAPITAL ACTIVITIES				
Developer contributions	$ 44,949,595	$ 6,626,015	$ 51,575,610	$ -
Accrual of capital-related payables	685,947	-	685,947	-

The accompanying notes to financial statements are an integral part of this statement.

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Princeton, Texas ("City") was incorporated in 1912 and has a Council-Manager form of government with a City Council comprised of a Mayor and seven council members, as provided by its Home Rule Charter. Some of the services provided are: public safety (police and fire protection), municipal court, streets, water distribution, sewer treatment, and general administrative services.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles ("GAAP") for local governments include those principles prescribed by the Governmental Accounting Standards Board ("GASB"), the American Institute of Certified Public Accountants in the publication entitles State and Local Governments-Audit and Accounting Guide. The Princeton Economic Development Corporation (the "EDC") and the Princeton Community Development Corporation (the "CDC"), although legally separate, are considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable, and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended Component Units

Tax Increment Reinvestment Zone

The City created the Tax Increment Reinvestment Zone ("TIRZ") to provide additional financing resources to further enhance development within Zones 2 through 7. The City Council serve as the TIRZ Board, creating a shared governing body. The TIRZ will terminate either upon a date designated by ordinance or upon the satisfaction of all project costs, tax increment bonds, notes, and obligations of the zone, whichever occurs earlier. The TIRZ is considered fiscally dependent on the City, as the City is responsible for approving any debt issuances. The TIRZ does not issue separate financial statements. See Section F. in the Notes for further detail related to the various TIRZs.

Discretely Presented Component Units

Princeton Economic Development Corporation

The Princeton Economic Development Corporation ("EDC") is a duly-established municipal corporation created under the provisions of Section 4A of the Development Corporation Act of 1976 as revised, with approval of the governing body of the City of Princeton. The EDC, a separate non-profit corporation, was incorporated on October 1, 2005 for the public purposes of the promotion and development of new and expanded business enterprises to provide and encourage employment in the furtherance of the public welfare and is operated primarily within the geographic boundaries of the City. The affairs of the EDC shall be managed by the Board of Directors consisting of seven members who shall be appointed by the City Council. The EDC is supported by a ¼ cent sales tax. A Chief Executive Officer is appointed by the City Manager to carry out the Board's administrative and policy initiatives. The EDC is considered part of the City's reporting entity and presented in the accompanying basic financial statements as a discretely presented component unit. The EDC does not issue separate financial statements.

Princeton Community Development Corporation

The Princeton Community Development Corporation (CDC) is a separate entity incorporated on July 3, 1997 for economic incentives and development along with improvement in the quality of life for its citizens from revenue generated through the Type 4B sales tax. The CDC operates under the authority of Section 2(11)-(A)-(E) and section 4B of Article 5190.6 of Revised Civil Statutes, as amended. The CDC is considered part of the City's reporting entity and presents the accompanying basis financial statements as a discretely presented component unit. The CDC is a discretely presented component unit under the criteria of seven board member appointments and removal by the City Council, approval and oversight of capital projects as well as budget authorization and approval. The funding for the CDC is supported by ¼ cent sales tax. The CDC does not issue separate financial statements.

B. Basis of Presentation – Government-Wide and Fund Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and the proprietary funds.

As discussed earlier, the government has two discretely presented component units and are shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's utility function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The fund financial statements provide information about the government's funds, including its blended component units. Separate statements for each fund category; governmental and proprietary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* - accounts for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, leisure services, development services, and parks and recreation. This fund is considered to be a major fund.

The *debt service fund* - accounts for the payment of interest and principal on all general obligation bonds and other long-term debt of governmental funds. The primary source of revenue for debt service is local property taxes. This fund is considered to be a major fund.

The *roadway impact fee fund* - accounts for roadway impact fees assessed on new development and restricted for the acquisition, construction, and expansion of roadway infrastructure needed to accommodate growth within the City. Revenues are derived from development impact fees and expenditures are limited to eligible capital improvements identified in the City's roadway impact fee capital improvements plan.

The *park impact fee fund* - are assessed on new development in accordance with the City's impact fee ordinance and applicable state law. These fees are restricted for parkland acquisition and park facility improvements necessary to serve new development and may only be used for eligible capital projects identified in the City's park impact fee capital improvements plan.

The *capital projects funds* - consist of various types of financial resources and are utilized in the acquiring or constructing of street/roadway infrastructure, buildings, and park infrastructure within the City. These funds include the street project fund, building project fund, general capital projects and park projects fund.

The government reports the following major enterprise funds:

The *water and sewer fund* - accounts for the operations of the City's water and sewer utilities. Activities of the fund include administration, operation and maintenance of the water/sewer system, solid waste collections system, and billing and collection activities. All costs are financed through charges made to utility customers with rates reviewed annually.

The *storm water drainage fund* - accounts for the City's storm water development and maintenance to the residents of the City.

Additionally, the government reports the following fund types:

The *special revenue funds* - are used to account for proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Revenue sources for this fund include donations, fines and fees, and grants. The court, asset forfeiture, and ARPA funds are considered nonmajor for reporting purposes.

The *internal service funds* - Revenues and expenses related to services provided to organizations inside the City on a cost reimbursement basis are accounted for in an internal service fund. The City's only internal service fund is used to account for equipment replacement.

During the course of operations, the government has activity between funds for various purposes. Any balances are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in governmental activities are eliminated, so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated, so that only the net amount is included in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated, so that only the net amount is included in the governmental activities column. Similarly, balances between funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using *the current financial resources measurement focus* and *the modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payments are due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirement are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure driven grants are recognized as revenues when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within 60 days of year end. All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary, pension and other post-employment benefit trust are reported using the economic resources measurement focus and the accrual basis of accounting. Custodial funds use economic measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, Accounting and Reporting for Certain Investments and External Investment Pools, the City reports all investments at fair value, except for "money market investments" and "2a7-like pools." Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools' share price.

2. Fair Value Measurement

The City has applied Governmental Accounting Standards Board ("GASB") Statement No. 72, Fair Value Measurement and Application. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

3. Receivables and Interfund Transactions

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the concurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds" in the fund financial statements. If the transactions are between the primary government and its component unit, these receivables and payables are classified as "due to/from component unit/primary government." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds are offset by a nonspendable fund balance account in the applicable governmental fund to indicate they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of any allowance for uncollectible amounts.

4. Inventories and Prepaid Items

The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred, (i.e., the purchase method). The inventories of supplies are reported at cost using the first-in/first-out method. Certain payments to vendors reflect costs applicable to future accounting periods (prepaid expenditures) are recognized as expenditures when utilized (the consumption method).

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government, as assets with an initial individual cost of more than $10,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets received in a service concession arrangement are reported at acquisition value. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful years.

Right to use - equipment	3-10 years
Machinery and equipment	5-10 years
Infrastructure	30-45 years
Buildings and improvements	15-45 years

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. The long-term debt consists primarily of bonds payable and accrued compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements until due. The debt proceeds are reported as other financing sources, net of the applicable premium or discount and payments of principal and interest reported as expenditures. In the governmental fund types, issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. However, claims and judgments paid from governmental funds are reported as a liability in the fund financial statements only for the portion expected to be financed from expendable available financial resources.

Long-term debt and other obligations, financed by proprietary funds, are reported as liabilities in the appropriate funds. For proprietary fund types, bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds using the effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Assets acquired under the terms of leases are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, lease transactions are recorded as other financing sources and as capital outlay expenditures in the general fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

7. Leases

The City has entered into various lease agreements as lessee and lessor. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

Lessee. The City is a lessee for noncancellable lease of equipment and vehicles. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the full accrual financial statements. The City recognizes lease liabilities with an initial, individual value of $5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The leased asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate, if available. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability or lease asset.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Other Post-Employment Benefits

The City has implemented GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits Other Than Pensions. This statement applies to the individual employers (TMRS cities) in the TMRS Supplemental Death Benefits (SDB) plan, with retiree coverage. The TMRS SDBF covers both active and retiree benefits with no segregation of assets, and therefore doesn't meet the definition of a trust under GASB No. 75 (i.e., no assets are accumulated for OPEB) and as such the SDBF is considered to be an unfunded OPEB plan. For purposes of reporting under GASB 75, the retiree portion of the SDBF is not considered a cost sharing plan and is instead considered a single employer, defined benefit OPEB plan. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary, calculated based on the employee's actual earnings on which TMRS deposits are made, for the 12-month period preceding the month of death. The death benefit amount for retirees is $7,500. GASB No. 75 requires the liability of employers and nonemployer contributing entities to employees for defined benefit OPEB (net OPEB liability) to be measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees' past periods of service (total OPEB liability), less the amount of the OPEB plan's fiduciary net position.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows/inflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has three items that qualify for reporting in this category. One example is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, fines and forfeitures and ambulance fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows of resources can also occur at the government wide level due to differences between investment gains and losses realized on pension investments compared to assumption used within the pension actuarial valuation model.

11. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

12. Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

13. Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The governing City Council has authorized the CFO to assign fund balance. The council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimate revenue and appropriation in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The government has adopted a policy to maintain a minimum reserve of an amount equal to or greater than 25% of operating expenditures. The Water and Sewer Fund working capital should be maintained at a minimum of 120 days total operating expenses. The debt service fund reserve is maintained at a level to support interest and principal payments in the event of a delay in property tax collections.

14. *Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principals requires management to make estimates and assumptions that affect the report amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

E. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as *program revenues* include (1) charges to customer or applicants who purchase, use, or directly benefit from goods, services, or privileges provide by a given function or segment and (2) grant and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenue rather than a program revenues.

2. Property Taxes

Property taxes are levied by October 1st on the assessed value listed as of the prior January 1st for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. Under state law, property taxes levied on real property constitute a lien on the real property which cannot be forgiven without specific approval of the State Legislature. The lien expires at the end of twenty years. Taxes levied on personal property can be deemed uncollectible by the City.

3. Compensated Absences

City employees earn vacation and comp time, which may either be taken or accumulated, up to certain amounts, until separation. Sick time and extended leave do not roll over and is not paid upon separation from the City. Upon separation, an employee is reimbursed up to a maximum number of 160 hours, 240 hours for Firefighters, of unused vacation pay based upon the years of service. Sick leave is not paid at separation. All vacation and qualifying sick leave are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements. Vested or accumulated vacation leave and compensated leave of government-wide and proprietary funds are recognized as an expense and liability of those funds as the benefits accrue to employees.

A liability for compensated absences is recorded for leave that has been earned and that is attributable to services already rendered, and for which it is more likely than not that the employer will make payments for the leave or otherwise settle the obligation through cash payments, paid leave, or other means.

4. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary funds' principal ongoing operations. The principal operating revenues of the water and sewer fund, and drainage utility fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General, Debt Service, Roadway Impact Fees, Park Impact Fees, Court Fines, Asset Seizure, and American Rescue Plan funds. The capital project funds are appropriated on a project-length basis and often span a period of more than one year. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the City Charter is the fund level. No funds can be transferred or added to a budgeted item without Council approval. Appropriations lapse at the end of the year. Supplemental budget appropriations were made during the year, impacting certain governmental funds.

The City has implemented procedures to ensure budgetary compliance. No expenditure can be made unless there is a budget available, or an approved budget amendment has been submitted. Department head and management will review the budget variances on a regular basis and the budget will be amended, if necessary.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The City's investments in 2a7-like pools such as TexSTAR are included in this category. Although the City's investments in TexSTAR are available for immediate withdrawal, disclosure of the pool's weighted average maturity and bond rating are required.

As of September 30, 2025, the primary government had the following investments:

Cash and Cash Equivalent	Value	Weighted Average Maturity (Days)	Credit Rating
Certificate of deposits	$ 589,224	144	
External investment pools			
TexPool	65,527,664	44	AAAm
LOGIC	80,318,465	52	AAAm
TexSTAR	62,052,050	49	AAAm
Total fair value	$ 208,487,403	49	

The discretely presented component units, Princeton EDC and CDC, had the following investments at year end:

Cash and Cash Equivalent	Value	Weighted Average Maturity (Days)	Credit Rating
TexPool	$ 9,459,309	44	AAAm
Total fair value	$ 9,459,309		

Interest rate risk. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity not to exceed five years; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations; monitoring credit ratings of portfolio position to assure compliance with rating requirements imposed by the Public Funds Investment Act; and invest operating funds primarily in short-term securities or similar government investment pools.

Credit risk. The City's investment policy limits investments to obligations of the United States, State of Texas, or their agencies and instrumentalities with an investment quality rating of not less than "A" or its equivalent, by a nationally recognized investment rating firm. Other obligations must be unconditionally guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency and investment pools with an investment quality not less than AAA or AAAm, or equivalent, by at least one nationally recognized rating service. As of September 30, 2025, the City's investment in TexPool was rated AAAm by Standard & Poor's.

Custodial credit risk – deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be insured or fully collateralized by U.S. government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of the deposits. As of September 30, 2025, the fair values of pledged securities and FDIC exceeded bank balances.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates TexPool AAAm. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the office of the Comptroller of Public Accounts for review. At September 30, 2025, the fair value of the position in TexPool approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

TexSTAR

The TexSTAR Participant Services Local Government Investment Pool ("TexSTAR") is an external investment pool operated by First Southwest Asset Management, Inc. and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investments Act provide for creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The State Comptroller has established an advisory board composed both of participants in TexSTAR and of other persons who do not have a business relationship with TexSTAR. The Advisory Board members review the investment policy and management fee structure. Standard & Poor's rates TexSTAR AAAm. At September 30, 2025, the fair value of the position in TexSTAR approximates fair value of the shares. There were no limitations or restrictions on withdrawals.

LOGIC

LOGIC is an external investment pool created under the Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act and is governed by a board comprised of representatives of participating local governments. The board establishes investment policies and oversees pool operations, including management and fee structures. LOGIC is administered by an external investment manager and is not registered with the Securities and Exchange Commission. Standard & Poor's rates LOGIC AAAm, and the pool provides regular portfolio and compliance information to maintain the rating. At September 30, 2025, the fair value of the District's investment in LOGIC approximates the fair value of the pool shares, and there were no limitations or restrictions on withdrawals.

B. Receivables

The following comprise receivable balances of the primary government at year end:

Receivables	General Fund	Debt Service Fund	Park Projects	Capital Projects	Nonmajor Governmental Funds	Total
Property taxes	$ 149,324	$ 99,538	$ -	$ -	$ -	$ 248,862
Sales taxes	778,100	-	-	-	-	778,100
Franchise taxes	107,588	-	-	-	-	107,588
Fines	1,703,826	-	-	-	-	1,703,826
Accounts	332,481	-	4,156	3,743	4,108	344,488
Notes (CU's)	-	5,429,782	-	-	-	5,429,782
Less: Allowance for uncollectibles	(1,676,567)	-	-	-	-	(1,676,567)
Net receivables	$ 1,394,752	$ 5,529,320	$ 4,156	$ 3,743	$ 4,108	$ 6,936,079

Receivables	Water & Sewer	Storm Water Drainage	Total
Accounts	$ 6,192,263	$ 124,412	$ 6,316,675
Notes (CU's)	-	-	-
Less: Allowance for uncollectibles	(445,899)	(18,701)	(464,600)
Net receivables	$ 5,746,364	$ 105,711	$ 5,852,075

The following comprise receivable balances of the component units at year end:

	Princeton EDC	Princeton CDC	Total
Sales tax	$ 389,050	$ 389,050	$ 778,100
Accounts	34,881	-	34,881
Total	$ 423,931	$ 389,050	$ 812,981

The 2021 General Obligation Refunding Bonds were issued in October 2021. One of the Bonds that this issue paid in full was the 2011 General Obligation Refunding Bonds. The Community Development Corporation agreed to continue to pay its portion of the refunded debt. The portion of this debt will be paid in full in FY 2029. As of the year ending September 30, 2025 the balance was $88,060.

The Community Development Corporation agreed to pay a portion of the City's 2019 Tax Note by remitting to the City from the receipts of local sales and use taxes received by the Corporation. The CDC's portion of the 2019 Tax Note is for the construction of the Community Center. As of the year ending September 30, 2025 the balance was $190,000.

The Community Development Corporation agreed to pay a portion of the City's 2021 Certificate of Obligation Bonds by remitting to the City from the receipts of local sales and use taxes received by the Corporation. The CDC's portion of the 2021 CO is for funding of park improvements. As of the year ending September 30, 2025 the balance was $4,455,000.

The Economic Development Corporation agreed to pay a portion of the City’s 2016 Certificates of Obligation to the City from the receipts of local sales and use taxes received by the corporation. As of the year ending September 30, 2025 the balance was $696,722.

The following is a summary of long-term notes receivable for governmental activities:

	Beginning Balances	Decreases	Ending Balnces	Due in One Year
Long-term Notes Receivables				
Community Development Corporation				
CDC Series 2021, Certificates of obligation	$ 4,885,000	$ (430,000)	$ 4,455,000	$ 225,000
CDC Series 2012, General obligation bonds	125,614	(37,554)	88,060	20,720
CDC Series 2019, Tax note	560,000	(370,000)	190,000	190,000
Economic Development Corporation				
EDC Series 2016, Certificates of obligation	801,980	(105,258)	696,722	54,335
Total Long-Term Notes Receivables	$ 6,372,594	$ (942,812)	$ 5,429,782	$ 490,055

Year ending	CDC		EDC	
September 30,	Principal	Interest	Principal	Interest
2026	$ 435,720	$ 108,930	$ 54,335	$ 20,665
2027	250,720	100,827	55,767	19,233
2028	263,310	94,455	56,895	18,105
2029	268,310	83,822	59,410	15,591
2030	255,000	73,356	61,665	13,335
2031-2035	1,395,000	-	334,704	40,296
2036-2040	1,540,000	-	73,946	1,054
2041	325,000	-	-	-
	$ 4,733,060	$ 461,390	$ 696,722	$ 128,279

The following comprises a note receivable balance of the component unit, Princeton Economic Development Corporation, at year end. The note was issued for the sale of land with a principal amount of $1,258,164 and an interest rate of 8%.

Year ending	Notes Receivable	
September 30,	Principal	Interest
2026	$ 111,015	$ 106,574
2027	111,015	106,574
2028	111,015	106,574
2029	111,015	106,574
2030	111,014	106,574
2031-2035	555,070	532,870
2036-2037	148,020	142,099
	$ 1,258,164	$ 1,207,839

C. Capital Assets

A summary of changes in governmental activities capital assets for the year end was as follows:

	Balance September 30, 2024	Increases	Decreases	Transfers/ Adjustments	Balance September 30, 2025
Governmental Activities:					
Capital assets, not being depreciated:					
Land	$ 5,775,180	$ -	$ -	$ 679,637	$ 6,454,817
Construction-in-progress	13,838,007	9,294,423	(554,948)	(13,985,913)	8,591,569
Total capital assets, not being depreciated	19,613,187	9,294,423	(554,948)	(13,306,276)	15,046,386
Capital assets, being depreciated:					
Buildings and improvements	38,105,927	105,696	-	11,855,636	50,067,259
Machinery and equipment	9,214,184	4,673,031	(58,133)	-	13,829,082
Right to use assets	1,254,395	1,449,671	(588,977)	-	2,115,089
Infrastructure	136,543,331	23,580,560	-	1,450,640	161,574,531
Total capital assets, being depreciated	185,117,837	29,808,958	(647,110)	13,306,276	227,585,961
Less accumulated depreciation for:					
Buildings and improvements	(5,445,453)	(1,970,352)	-	(1,194,772)	(8,610,577)
Machinery and equipment	(4,743,260)	(1,327,639)	58,133	-	(6,012,766)
Right to use assets	(694,192)	(394,625)	545,301	-	(543,516)
Infrastructure	(28,786,082)	(9,478,296)	-	1,194,772	(37,069,606)
Total accumulated depreciation	(39,668,987)	(13,170,912)	603,434	-	(52,236,465)
Total capital assets being depreciated, net	145,448,850	16,638,046	(43,676)	13,306,276	175,349,496
Governmental activities capital assets, net	$ 165,062,037	$ 25,932,469	$ (598,624)	$ -	$ 190,395,882

Depreciation was charged to governmental functions as follows:

Governmental activities:	
General government	$ 541,627
Public safety	845,409
Public works	9,624,105
Library	19,874
Public services and operations	647,808
Parks and recreation	1,492,089
Total depreciation expense - governmental activities	$ 13,170,912

Business-type activities:	Balance September 30, 2024	Increases	Decreases	Transfers/ Adjustments	Balance September 30, 2025
Capital assets, not being depreciated:					
Land	$ 286,763	$ 2,000	$ -	$ -	$ 288,763
Construction-in-progress	16,940,030	8,027,325	-	(537,918)	24,429,437
Total capital assets, not being depreciated	17,226,793	8,029,325	-	(537,918)	24,718,200
Capital assets, being depreciated:					
Buildings and improvements	235,326	-	-	-	235,326
Machinery and equipment	2,141,738	783,640	-	-	2,925,378
Right to use assets	325,503	29,304	(92,560)	-	262,247
Infrastructure	197,334,101	51,477,095	-	537,918	249,349,114
Total capital assets, being depreciated	200,036,668	52,290,039	(92,560)	537,918	252,772,065
Less accumulated depreciation for:					
Buildings and improvements	(221,264)	-	-	76,005	(145,259)
Machinery and equipment	(1,470,286)	(143,937)	-	(76,005)	(1,690,228)
Right to use assets	(173,873)	(113,510)	92,560	-	(194,823)
Infrastructure	(33,374,395)	(9,172,041)	-	-	(42,546,436)
Total accumulated depreciation	(35,239,818)	(9,429,488)	92,560	-	(44,576,746)
Total capital assets being depreciated, net	164,796,850	42,860,551	-	537,918	208,195,319
Business-type activities capital assets, net	$ 182,023,643	$ 50,889,876	$ -	$ -	$ 232,913,519

Depreciation was charged to business-type activities as follows:

Business-type activities:	
Water and Sewer	$ 7,771,133
Storm drainage	1,658,355
Total depreciation expense - business-type activities	$ 9,429,488

A summary of changes in component unit activities capital assets for the year end was as follows:

	Balance 2024	Increases	Decreases	Transfers/ Adjustments	Balance September 30, 2025
Capital assets, not being depreciated:					
Land	$ 1,433,663	$ 619,086	$ -	$ -	$ 2,052,749
Construction-in-progress	18,532	366,051	-	(18,532)	366,051
Total capital assets, not being depreciated	1,452,195	985,137	-	(18,532)	2,418,800
Capital assets, being depreciated:					
Buildings and improvements	1,470,614	-	-	18,532	1,489,146
Machinery and equipment	25,553	-	-	-	25,553
Infrastructure	1,981,102	-	-	-	1,981,102
Total capital assets, being depreciated	3,477,269	-	-	18,532	3,495,801
Less accumulated depreciation for:					
Buildings and improvements	(35,966)	(6,813)	-	-	(42,779)
Machinery and equipment	(25,553)	-	-	-	(25,553)
Infrastructure	(235,221)	(160,395)	-	-	(395,616)
Total accumulated depreciation	(296,740)	(167,208)	-	-	(463,948)
Total capital assets being depreciated, net	3,180,529	(167,208)	-	18,532	3,031,853
Component units capital assets, net	$ 4,632,724	$ 817,929	$ -	$ -	$ 5,450,653

Depreciation was charged to component unit activities as follows:

Economic development	$ 160,395
Community development	6,813
Total component unit activities depreciation expense	$ 167,208

D. Long-term Liabilities

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. The general fund, debt service fund and water/sewer funds have typically been used to liquidate the long-term debt obligations for the primary government. The general fund is typically used to liquidate the net pension and OPEB liabilities.

	Beginning Balance	Additions/ Accretion	Refundings/ Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
Certificates of Obligations	$ 34,000,000	$ 43,115,000	$ (4,305,000)	$ 72,810,000	$ 2,400,000
General Obligation Bonds	1,806,430	54,055,000	(226,291)	55,635,139	255,193
Premium	3,283,825	3,728,819	(292,265)	6,720,379	-
Note payables	3,323,650	825,312	(889,677)	3,259,285	636,460
Tax notes	7,170,000	-	(1,575,000)	5,595,000	1,605,000
Other liabilities:					
Compensated absences	1,401,931	155,340	-	1,557,271	656,804
Lease liabilities	544,360	1,449,671	(435,508)	1,558,523	498,115
Total Governmental Activities	$ 51,530,196	$ 103,329,142	$ (7,723,741)	$ 147,135,597	$ 6,051,572
Business-type Activities:					
Bonds, notes and other payables:					
General Obligation Bonds	$ 5,688,569	$ -	$ (353,709)	$ 5,334,860	$ 364,807
Certificates of Obligations	19,210,000	-	(220,000)	18,990,000	240,000
Premium	1,294,318	-	(57,443)	1,236,875	-
Contractual obligations - GTUA	28,230,000	-	(700,000)	27,530,000	720,000
Other liabilities:				-	
Compensated absences	239,971	62,074	-	302,045	127,392
Lease liabilities	136,020	22,769	(99,506)	59,283	51,842
Total Business-type Activities	$ 54,798,878	$ 84,843	$ (1,430,658)	$ 53,453,063	$ 1,504,041
Component Unit Activities:					
Bonds, notes and other payables:					
Certificates of Obligations	$ 5,686,980	$ -	$ (535,258)	$ 5,151,722	$ 279,335
General Obligation Bonds	125,614	-	(37,555)	88,059	20,720
Tax notes	560,000	-	(370,000)	190,000	190,000
Other liabilities:					
Compensated absences	-	11,410	-	11,410	4,812
Total Component Unit Activities	$ 6,372,594	$ 11,410	$ (942,813)	$ 5,441,191	$ 494,867

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly, are not reported as fund liabilities in the governmental funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. The City intends to retire all of its general long-term liabilities, plus accrued interest, from property taxes and other current revenues from the debt service fund as has been done in prior years. The business-type long-term debt will be repaid, plus accrued interest, from operating revenues of the utility fund.

Long-term debt for governmental activities at year end was comprised of the following debt issues:

Description	Interest Rate	Original Issue	Outstanding
Governmental Activities:			
Certificates of Obligation:			
2014 Certificates of obligation	2.50%	$ 1,285,000	$ 730,000
2015 Certificates of obligation	2.50%	3,245,000	1,940,000
2016 Certificates of obligation	2.00%	8,465,000	5,875,000
2020 Certificates of obligation	4.00-5.00%	17,365,000	14,625,000
2021 Certificates of obligation	4.00%	10,800,000	9,075,000
2024 Certificates of obligation	4.00-5.00%	18,775,000	16,225,000
2025 Certificates of obligation	5.00%	24,340,000	24,340,000
Total Certificates of Obligation		84,275,000	72,810,000
General Obligation Bonds:			
2021 General obligation refunding	2.00-4.00%	3,170,000	1,580,140
2025 General obligation bonds	5.00%	54,055,000	54,055,000
Total General Obligation		57,225,000	55,635,140
Tax Notes:			
2019 Tax note	2.20%	7,790,000	1,060,000
2022 Tax note	1.90%	6,075,000	4,535,000
Total Tax Notes		13,865,000	5,595,000
Other Liabilities:			
Note payables	Various	4,514,813	3,259,285
Lease liabilities	5.00%	2,115,089	1,558,523
Total Governmental Activities		$ 161,994,902	$ 138,857,948

Long-term debt for business-type activities at year end was comprised of the following debt issues:

Description	Interest Rate	Original Issue	Outstanding
Business-type Activities:			
Certificates of Obligation:			
2022 Certificates of obligation	4.15-6.00%	$ 19,420,000	$ 18,990,000
General Obligation Bonds:			
2015 General obligation refunding	2.00-4.00%	6,100,000	4,890,000
2021 General obligation refunding	2.00-4.00%	3,170,000	444,860
Total General Obligation Bonds		9,270,000	5,334,860
Contractual Obligations - Greater Texoma Utility Authority ("GTUA"):			
2018 GTUA	2.35%	14,665,000	14,255,000
2019 GTUA	2.53%	2,255,000	1,360,000
2022 GTUA	3.0-5.0%	13,060,000	11,915,000
Total Contractual Obligations		29,980,000	27,530,000
Other Liabilities:			
Lease liabilities	5.00%	262,247	59,283
Total Business-type Activities		$ 58,932,247	$ 51,914,143
Total Primary Government		$ 220,927,149	$ 190,772,091

Under the terms of long-term water supply and sewer service contracts between the City and Greater Texoma Utility Authority (GTUA), the City recognizes that GTUA has an undivided ownership interest in the City's water system and sewer collection and treatment facility equivalent to the percentage of the total cost of the facility provided by GTUA through the issuance of GTUA Certificates of Obligation.

The City has contractual obligation to make payments specified by the contract to GTUA to pay the principal and interest on the bonds, maintain a Reserve Fund for the security and payment of bonds similarly secured, pay the administrative and overhead expenses of GTUA directly attributable to the certificates of obligation, and pay any extraordinary expenses incurred by GTUA in connection with the debt. Under terms of the contracts, the City's obligation to make payments to GTUA, as well as GTUA's ownership interest in the facilities, terminates when all of GTUA's bonds issued in connection with construction of the facilities have been paid in full, are retired, and are no longer outstanding.

During the fiscal year, the City issued $54,055,000 in General Obligation Bonds, Series 2025, and $24,340,000 in Certificates of Obligation Bonds, Series 2025. The bonds carry an interest rate of 5% and will mature in fiscal year 2050. Proceeds will be used for capital projects related to public safety operations and training facility, the library, parks buildings, recreational facilities, and land. The City also issued Certificates of Obligation, Series 2024, in the amount of $18,775,000 at an interest rate between 4% and 5%. The bonds will mature in fiscal year 2044. These proceeds will be used for street and road improvements, relocation of utility lines, the police station/public training facility, and expansion of the library.

Long-term debt for component unit activities at year end was comprised of the following debt issues:

Description	Interest Rates	Original Balance	Current Balance
Component Unit Activities:			
Certificates of Obligation:			
2016 Certificates of obligation	2.00%	$ 8,465,000	$ 696,722
2021 Certificates of obligation	4.00%	10,800,000	4,455,000
Total Certificates of Obligation		19,265,000	5,151,722
General Obligation Refunding Bonds:			
2021 General obligation refunding	2.00-4.00%	3,170,000	88,059
Other Liabilities:			
Tax Notes	2.20%	7,790,000	190,000
Total Component Unit Activities		$ 30,225,000	$ 5,429,781

The annual requirements to amortize governmental activities debt issues outstanding at year ending were as follows:

	Governmental Activities					
Year ending	Certificates of Obligation		Tax Notes		General Obligation Bonds	
September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 2,400,000	$ 2,953,919	$ 1,605,000	$ 92,648	$ 255,193	$ 2,619,074
2027	2,495,000	2,923,556	1,315,000	63,318	280,193	2,745,430
2028	2,580,000	2,822,409	1,340,000	38,095	299,701	2,733,332
2029	2,730,000	2,710,074	1,335,000	12,683	241,177	2,722,015
2030	3,105,000	2,586,133	-	-	534,850	2,704,194
2031-2035	17,640,000	10,988,427	-	-	2,949,025	13,113,865
2036-2040	20,015,000	7,262,440	-	-	5,080,000	12,206,000
2041-2045	12,590,000	3,644,566	-	-	17,345,000	9,577,125
2046-2050	9,255,000	1,203,875	-	-	28,650,000	3,724,000
Total	$ 72,810,000	$ 37,095,399	$ 5,595,000	$ 206,743	$ 55,635,139	$52,145,035

Lease Liabilities

	Governmental Activities	
Year ending	Leases	
September 30,	Principal	Interest
2026	$ 498,115	$ 42,933
2027	445,899	26,556
2028	411,714	12,838
2029	202,795	1,775
Total	$ 1,558,523	$ 84,102

The City entered into a lease to finance vehicles/equipment. The property is classified as right-to-use asset with a total carrying value as of yearend for governmental activities of $543,516.

Notes Payable

Year ending September 30,	Governmental Activities Notes Payable Principal	Interest
2026	$ 636,460	$ 143,882
2027	545,814	114,417
2028	557,705	90,145
2029	388,618	64,737
2030	404,936	48,418
2031-2035	725,752	55,045
Total	$ 3,259,285	$ 516,644

The annual requirements to amortize business-type activities debt issues outstanding at year ending were as follows:

Year ending September 30,	Business-type Activities GTUA Obligations Principal	Interest
2026	$ 720,000	$ 783,315
2027	755,000	755,051
2028	780,000	725,218
2029	810,000	694,105
2030	905,000	661,675
2031-2035	4,920,000	2,892,362
2036-2040	5,595,000	2,215,651
2041-2045	6,365,000	1,444,287
2046-2050	5,420,000	577,049
2051-2054	1,260,000	57,000
Total	$ 27,530,000	$ 10,805,713

Year ending September 30,	Business-type Activities General Obligation Bonds Principal	Interest
2026	$ 364,807	$ 192,139
2027	374,807	179,520
2028	390,299	165,793
2029	388,822	151,848
2030	380,150	138,168
2031-2035	2,085,975	465,898
2036-2038	1,350,000	82,600
Total	$ 5,334,860	$ 1,375,966

Year ending September 30,	Business-type Activities Certificates of Obligation Principal	Interest
2026	$ 240,000	$ 870,525
2027	250,000	855,825
2028	270,000	840,225
2029	370,000	821,025
2030	355,000	799,275
2031-2035	2,120,000	3,672,275
2036-2040	2,610,000	3,073,126
2041-2045	3,140,000	2,387,419
2046-2050	5,780,000	1,566,988
2051-2052	3,855,000	165,644
Total	$ 18,990,000	$ 15,052,327

Lease Liabilities

Year ending September 30,	Business-type Activities Leases Principal	Interest
2026	$ 51,842	$ 1,473
2027	7,441	44
Total	$ 59,283	$ 1,517

The annual requirements to amortize component unit activities debt issues outstanding at year ending were as follows:

Year ending	Certificates of Obligation	
September 30,	Principal	Interest
2026	$ 279,335	$ 124,656
2027	285,767	119,102
2028	296,895	111,161
2029	304,409	98,947
2030	316,665	86,691
2031-2035	1,729,704	301,101
2036-2040	1,613,947	113,885
2041-2042	325,000	3,454
Total	$ 5,151,722	$ 958,997

Year ending	General Obligation Bonds	
September 30,	Principal	Interest
2026	$ 20,720	$ 2,849
2027	20,720	958
2028	23,310	1,399
2029	23,309	466
Total	$ 88,059	$ 5,672

Year ending	Tax Notes	
September 30,	Principal	Interest
2026	$ 190,000	$ 2,090
Total	$ 190,000	$ 2,090

E. Deferred Charges on Refunding

Deferred charges resulting from the issuance of series 2015 and 2021 general obligation refunding and improvement bonds have been recorded as deferred outflows of resources and are being amortized to interest expense over the shorter of either the remaining term of the refunded debt or the refunding certificates of obligation. Current year balances for governmental activities totaled $50,298 and $194,880 for business-type activities.

F. Princeton Tax Increment Reinvestment Zone and Public Improvement Districts

Special Assessment Revenue bonds are issued by the City for the Public Improvement Districts (PID) and are secured solely from assessment revenues generated by each PID. The City is not obligated in any manner for this special assessment debt but merely acts as the developer's agent in handling the debt service by each PID and forwarding to the Trustee for payment to the bond holders. The Trustee for the bond proceeds were deposited into trust accounts with Regions Bank for the purpose of funding improvements in the projects. Regions Bank serves as trustee, for the benefit of the bond holders, for these funds as well as any and all other property or money of every name and nature, which is, from time-to-time hereafter by delivery or in writing of any kind, conveyed, pledged, assigned, or transferred to the Trustee.

The City Council created and participates in a total of six Tax Increment Reinvestment Zones ("TIRZ") (No.2, No.3, No.4, No.5, No.6, No.7). The one original TIRZ created in December 2015 referred to as TIRZ No.1 was terminated in October 23, 2023.

The City Council created TIRZ No.2 in August 2019 for the Whitewing Trails Phase I residential development of approximately 95 acres. The City also created the Whitewing Trails Public Improvement District No.2 ("PID") in June 2019 to finance certain public infrastructure improvements. The PID and the TIRZ boundaries are contiguous as the goal of the TIRZ is to assist with the development. The City issued series 2019 of special assessment revenue bonds (the "PID Bonds") in the amounts of $7,850,000 in August 2019 that are secured solely from assessment revenues generated within the Whitewing Trails Phase I PID. The bonds funded major improvement projects to include certain roadway, water, wastewater and drainage improvements. Phase No.1 PID Bonds are secured by the Phase No.1 assessments. The City will contribute 4.866% of its ad valorem tax rate attributable to increased taxable value of new development in TIRZ No.2 to partially pay the costs of the public infrastructure improvements benefiting the Zone. The 2019 taxable real property base at the time of creation is approximately $1,065,912. The term of TIRZ No.2 shall continue until the earlier of December 31, 2050 or the date in which the principle amount of $298,290, plus interest, TIRZ administrative expenses, and other obligations have been paid in full.

The City Council created TIRZ No.3 in June 2022 for the Eastridge Development of approximately 547.09 acres. The City also created the Eastridge Public Improvement District ("PID") in June 2021 to finance certain public infrastructure improvements. The PID and the TIRZ boundaries are contiguous as the goal of the TIRZ is to assist with the development. The City issued various series (2022,2023,2024,2025,2025A) PID Bonds to serve for the various phases of development within the Eastridge PID. All PID Bonds are secured by the PID assessments. The City will contribute 45% of its ad valorem tax rate attributable to the increased taxable value of the new development in TIRZ No.3. The 2022 taxable real property base at the time of creation is approximately $4,920,145. TIRZ No.3 shall remain in effect until the later of the date by which all PID Bonds have been repaid or until such time as the Developer has been fully reimbursed for Project Costs (whether through the PID or the Zone).

The City Council created TIRZ No.4 in August 2023 for the Sicily Development of approximately 502 acres. The City also created the Sicily Public Improvement District ("PID") in April 2022 to finance certain public infrastructure improvements. The PID and the TIRZ boundaries are contiguous as the goal of the TIRZ is to assist with the development. The City issued various series (2023 and 2023A) PID Bonds to serve for the various phases of development within the Sicily PID. All PID Bonds are secured by the PID assessments. The City will contribute 55% for residential and 80% for multifamily and commercial property of its ad valorem tax rate attributable to the increased taxable value of the new development in TIRZ No.4. The 2023 taxable real property base at the time of creation is approximately $14,848,539. TIRZ No.4 shall remain in effect until the later of the date by which all PID Bonds have been repaid or until such time as the Developer has been fully reimbursed for Project Costs (whether through the PID or the Zone).

The City Council created TIRZ No. 5 in November 2022 for the Whitewing Trails Phase 2 Development of approximately 730 acres. The City also created the Whitewing Trails Public Improvement District ("PID") No. 2 Phase II in June 2019 to finance certain public infrastructure improvements. The City issued series 2019 of special assessment revenue bonds Phases #2-6 Major Improvement Bonds(the "PID Bonds") in the amounts of $8,210,000 in August 2019 that are secured solely from assessment revenues generated within the Whitewing Trails Phase II PID. The bonds funded major improvement projects to include certain roadway, water, wastewater and drainage improvements. Phase No.2 PID Bonds are secured by the Phase No.2 assessments. The City will contribute 4.866% of its ad valorem tax rate attributable to increased taxable value of new development in TIRZ No.5 to partially pay the costs of the public infrastructure improvements benefiting the Zone. The 2019 taxable real property base at the time of creation is approximately $1,062,514. The term of TIRZ No.5 shall continue until the earlier of December 31, 2050 or the date in which the principle amount of $298,290, plus interest, TIRZ administrative expenses, and other obligations have been paid in full.

The City Council created TIRZ No.6 in October 2023 for the Southridge Development of approximately 227.63 acres. The City also created the Southridge Public Improvement District ("PID") in April 2022 to finance certain public infrastructure improvements. The PID and the TIRZ boundaries are contiguous as the goal of the TIRZ is to assist with the development. The City issued various series (2023, 2024, and 2025) PID Bonds to serve for the various phases of development within the Southridge PID. All PID Bonds are secured by the PID assessments. The City will contribute 45% of its ad valorem tax rate attributable to the increased taxable value of the new development in TIRZ No.6. The 2023 taxable real property base at the time of creation is approximately $8,726,924. TIRZ No.6 shall remain in effect until the later of the date by which all PID Bonds have been repaid or until such time as the Developer has been fully reimbursed for Project Costs (whether through the PID or the Zone).

The City Council created TIRZ No.7 in April 2025 for the Westridge Development of approximately 252 acres. The City also created the Westridge Public Improvement District ("PID") in April 2022 to finance certain public infrastructure improvements. The PID and the TIRZ boundaries are contiguous as the goal of the TIRZ is to assist with the development. The City issued 2025 series PID Bond to serve Westridge PID Improvement Area No.1 in the amount of $10,907,000. All PID Bonds are secured by the PID assessments. The City will contribute 45% of its ad valorem tax rate attributable to the increased taxable value of the new development in TIRZ No.7. The 2024 taxable real property base at the time of creation is approximately $1,836,450. TIRZ No.7 shall remain in effect until the later of the date by which all PID Bonds have been repaid or until such time as the Developer has been fully reimbursed for Project Costs (whether through the PID or the Zone).

G. Interfund Transactions

Transfers between the primary government funds during the 2025 fiscal year were as follows:

	Transfers In:			
Transfers Out:	General	Park Projects	Nonmajor Govt.	Total
General	$ -	$ 300,000	$ 99,896	$ 399,896
Capital Projects	96,583	2,418,996	-	2,515,579
Water and sewer	2,932,000	-	-	2,932,000
Total	$ 3,028,583	$ 2,718,996	$ 99,896	$ 5,847,475

Transfers from the utility fund were used to reflect payment in lieu of taxes (PILOT) and administrative expenses paid in the general fund (i.e. payroll, IT, administration) and do not relate to specific expenditures that are being reimbursed. Transfers from the general fund to the capital projects fund were made for construction projects.

The compositions of interfund balances as of year end were as follows:

Receivable Fund	Payable Fund	Amount
Water & Sewer	Capital Projects Fund	$ 2,344,503
Total		$ 2,344,503

The purpose of interfund receivables and payables is to loan cash between funds. All balances are expected to be settled with issuance of new debt or the collection of fees.

IV. PENSION PLANS

A. Texas Municipal Retirement System (TMRS)

Plan Description. The City participates as one of 944 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available Annual Comprehensive Financial Report (Annual Report) that can be obtained at *www.tmrs.com*.
All eligible employees of the City are required to participate in TMRS.

Benefits provided. TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the Member's benefit is calculated based on the sum of the Member's contributions, with interest, and the city-financed monetary credits with interest. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24 or 36 monthly payments, which cannot exceed 75% of the total Member contributions and interest.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service requirement eligibility (expressed as age / years of service)	60/5, 0/20
Updated service credit	100% Repeating
Annuity increase (to retirees)	70% of CPI Repeating
Supplemental Death Benefit to Active Employees	Yes

Employees covered by benefit terms.

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not receiving benefits	68
Active employees	187
	289

Contributions. Member contribution rates in TMRS are either 5%, 6% or 7% of the Member's total compensation, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city's contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 11.37% and 12.46% in calendar year 2024 and 2025, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were $2,004,074 and were equal to the required contributions.

Net pension liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2024, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Salary increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale

UMP to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global equity	35%	7.1%
Core fixed income	6%	5.0%
Non-core fixed income	6%	6.8%
Hedge Funds	5%	6.4%
Private equity	13%	8.5%
Private debt	13%	8.2%
Real estate	12%	6.7%
Infrastructure	6%	6.0%
Other public and private markets	4%	7.3%
Total	100.0%	

Discount Rate. The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2023	$ 16,538,911	$14,963,929	$ 1,574,982
Changes for the year:			
Service cost	2,465,299	-	2,465,299
Interest	1,183,435	-	1,183,435
Difference between expected actual experience	252,854	-	252,854
Contributions - employer	-	1,520,602	(1,520,602)
Contributions - employee	-	936,166	(936,166)
Net investment income	-	1,563,721	(1,563,721)
Benefit payments	(478,371)	(478,371)	-
Administrative expense	-	(9,972)	9,972
Other	-	(233)	233
Net changes	3,423,217	3,531,913	(108,696)
Balance at 12/31/2024	$ 19,962,128	$18,495,842	$ 1,466,286

Sensitivity of the Net Pension Lability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1 % Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 5,166,290	$ 1,466,286	$ (1,479,066)

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at *www.tmrs.com*.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended September 30, 2025, the City recognized pension expense of $1,844,665.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 655,923	$ 132,686
Changes in actuarial assumptions	-	44,090
Difference between projected and actual investment earnings	-	264,953
Contributions subsequent to the measurement date	1,544,207	-
Total	$ 2,200,130	$ 441,729

$1,544,207 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year end September 30,	Net of Deferred Outflows Minus Deferred Inflows
2026	$ 93,126
2027	186,956
2028	(117,177)
2029	15,663
2030	35,626
Total	$ 214,194

B. ***Defined Other Post-Employment Benefit Plan***

TMRS Supplemental Death Benefits Fund

Plan Description. The City voluntarily participates in the Texas Municipal Retirement System Supplemental Death Benefits Fund (TMRS SDBF). The SDBF is a single-employer defined benefit Other Postemployment Benefit (OPEB) plan as defined by GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. It is established and administered in accordance with the TMRS Act identically to the City's pension plan.

Benefits Provided. The SDBF provides group-term life insurance to City employees who are active members in TMRS, including or not including retirees. The City Council opted into this program via an ordinance, and may terminate coverage under, and discontinue participation in, the SDBF by adopting an ordinance before November 1st of any year to be effective the following January 1st.

Payments from this fund are similar to group-term life insurance benefits, and are paid to the designated beneficiaries upon the receipt of an approved application for payment. The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). The death benefit for retirees is considered an other employment benefit and is a fixed amount of $7,500.

The number of employees currently covered by the benefit terms is as follows:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	10
Active employees	187
Total	219

Contributions. The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.17% for 2025 and 0.21% for 2024, of which 0.03% represented the retiree-only portion for each year, as a percentage of annual covered payroll. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree term life insurance during employees' entire careers. The City's contributions to the SDBF for the years ended September 30, 2025 and 2024 were $4,926 and $4,169, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

Actuarial Assumptions. The Total OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	12/31/2024
Actuarial cost method	Entry Age Normal Method
Discount rate	4.08%
Inflation rate	2.50% per annum
Projected salary increases	3.60% to 11.85% including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the following:

Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2020 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of an actuarial experience study for the period December 31, 2018 to December 31, 2022.

Discount Rate. The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. As such, a single discount rate of 4.08% was used to measure the Total OPEB Liability. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate was fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2024.

Discount Rate Sensitivity Analysis. The following schedule shows the impact of the Total OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (3.77%) in measuring the Total OPEB Liability.

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
Total OPEB Liability	$ 202,203	$ 166,434	$ 139,110

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources Related to OPEBs. At September 30, 2025, the City reported a liability of $166,434 for its Total OPEB Liability. The Total OPEB Liability was determined by an actuarial valuation as of December 31, 2024. For the year ended September 30, 2025, the City recognized OPEB expense of $23,221. There were no changes of benefit terms that affected measurement of the Total OPEB Liability during the measurement period.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2023	$ 156,593
Changes for the year:	
Service cost	25,360
Interest	6,306
Change of benefit terms	-
Difference between expected and actual experience	(7,833)
Changes of assumptions and other inputs	(9,988)
Benefit payments	(4,004)
Net changes	9,841
Balance at 12/31/2024	$ 166,434

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ -	$ 16,791
Changes in actuarial assumptions	19,490	54,846
Contributions subsequent to the measurement date	3,769	-
Totals	$ 23,259	$ 71,637

$3,769 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB Liability for the year ending September 30, 2026. Other amounts of the reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2026	$ (8,177)
2027	(8,639)
2028	(10,612)
2029	(12,152)
2030	(9,033)
Thereafter	(3,534)
Total	$ (52,147)

V. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of September 30, 2025, the government has several active construction projects underway. These projects include building and street construction and improvements, parks and recreation improvements, and additional water and wastewater system improvements. At year end the government's commitments with contractors are as follows:

Project	Remaining Commitment
Parks and recreation	$ 10,736,597
Street construction	3,393,328
Water and sewer	89,390
Building	60,528
	$ 14,279,843

VI. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City is a participant in the Texas Municipal League's Intergovernmental Risk Pool which provides Worker's Compensation Insurance for 202 persons, based on payrolls of $16,410,732. General Liability, Law Enforcement Liability, Errors & Omissions Liability each in the amount of $1,000,000 per occurrence and $2,000,000 annual aggregate. Automobile Liability in the amount of $1,000,000 per occurrence. Real and Personal Property Insurance limit in the amount of $47,580,188. Flood Insurance limit at $4,758,019 and Earthquake limit at $10,000,000. Cyber Liability and Breach Response total aggregate limit in the amount of $1,000,000. There are no reductions in insurance coverages, and the City has not been declined coverage for any exposures or limits of liability and/or scheduled covered amounts from the previous year. Settled claims for risks have not exceeded insurance coverage for the past three years.

VII. CONTINGENCIES

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

VIII. HEALTH CARE COVERAGE

During the year ended September 30, 2025, employees of the City were covered by a health, dental, and vision insurance plans. The City contributed $921.18 per month per employee for employee coverage and $0 for dependent's health insurance. The City contributed $40.66 per month per employee (100% of the cost per employee) for dental insurance and $9.78 per month per employee for vision. Employees, at their option, authorized payroll withholdings for dependent coverage. Health and dental insurance is provided by TML MultiState Intergovernmental Employee Benefit Pool and vision insurance is with Avesis.

IX. ADDITIONAL WATER AND SEWER INFORMATION

The City secures its water supply from the North Texas Municipal Water District ("NTMWD"), a district authorized by the Texas Constitution, Article XVI, Section 59; created by the Texas Legislature, Article 8280-141; and authorized to act by the confirming vote of the majority of the qualified voters in each of the cities comprising the District. The District has police, taxation and eminent domain powers and is authorized to issue revenue and/or tax bonds upon approval by the Attorney General of the State of Texas and functions as a political subdivision of the State of Texas independent of the City. The District is governed by a 25-member board ("Board"), the City being authorized by statute to appoint two of those members. The Board has full power and discretion to establish its budget and to set the rates for the services it provides by contracts with its member cities and customers. The Board is empowered by statute and contract, or otherwise permitted by law, to discontinue a facility or service in order to prevent an abuse or to enforce payment of an unpaid charge, fee, or rental due to the District. Due to these factors, the District is not included in the City's basic financial statements.

The City entered into a contract with the District whereby the District agreed to provide water for the benefit of the City. In return, the City agreed to pay the District at a rate of $3.85 per 1,000 gallon basis, subject to minimum annual payments. The City's cost for the current fiscal year was $6,952,869.

X. TAX ABATEMENT INCENTIVES

The City enters into economic development agreements designed to promote development, stimulate commercial activity, enhance the property base, and increase economic vitality of the City. The City's economic development agreements are authorized under the Texas Local Government Code Chapter 311 (Tax Incrment Financing Act), Chapter 312 (Property Redevelopment and Tax Abatements), and Chapter 380 (Economic Development Programs). Recipients may be eligible to receive economic assistance based upon employment, economic, or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, expanding operations, renewing facility leases or bringing targeted development to the City. Agreements generally contain recapture provisions, which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has entered into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or a percentage of property taxes or sales taxes received by the City. For fiscal year 2025, the City rebated $300,119 in sales taxes and $127,391 of property taxes and made other incentive payments of $1,847,226 under agreements during the year ended September 30, 2025.

XI. SUBSEQUENT EVENTS

In April 2023, the City Council approved Ordinance No. 2023-04-24 to implement winter averaging for wastewater billing. Although the ordinance was adopted, winter averaging was not implemented as intended, an oversight later identified through an internal review.

In September 2024, the City Council adopted Ordinance No. 2024-09-16-02, formally removing Winter Quarterly Averaging. The City also conducted a review of affected accounts and issued refunds totaling $718,600 to customers entitled to reimbursement under the ordinance, which was not enacted, ensuring fairness and compliance.

Once the implementation issue was identified, the City administration brought the matter before the Council to align operations with the adopted policy. In January 2026, Winter Quarter Averaging (WQA) was reinstated for residential wastewater customers within the City of Princeton's incorporated limits. The City has since strengthened internal processes to support the timely and consistent execution of Council-approved ordinances.

The City remains committed to transparency, responsible governance, and accurate utility billing practices.

XII. CHANGES IN THE FINANCIAL REPORTING ENTITY AND ERROR CORRECTIONS

The City had the following changes within the financial reporting entity:

1. The PEG Fund was previously reported within the General Fund but separated into a stand-alone non-major special revenue fund during fiscal year 2025 for qualitative reasons.

2. The Building Projects Fund was previously presented as a stand-alone non-major capital projects fund.

3. The Roadway Impact Fees and Parks Impact Fees Funds had a portion of equity not restricted for the same purposes related to impact fees. These portions were combined into the stand-alone Capital Projects fund for qualitative reasons.

4. The TIRZ Fund was previously reported as a major special revenue fund and is being reported as a non-major special revenue fund. This change was due to quantitative reasons.

5. The Business Incentive Fund was a subset of the General Fund used to track 380 Agreement incentives and shown as its own fund in the FY 2024 ACFR. This is now tracked in the General Fund as an offset to the respective revenue.

The City had the following error corrections:

1. The Parks Impact Fee and Asset Seizure Fund have previously reported receipts for developer deposits as revenues instead of a liability until contractual obligations were met. $4,682,910 and $72,808 was restated and reported in the General Fund as a restricted cash and liability to reflect these changes in the Parks Impact Fees and Asset Seizure, respectively.

2. The American Rescue Plan also recorded receipts from granting agencies as revenue in a prior period instead of unearned revenues until all eligibility criteria were met. Beginning fund balance was restated by $3,688,567.

XIII. IMPLEMENTATION OF NEW ACCOUNTING STATEMENTS

Significant new accounting guidance issued by the Governmental Accounting Standards Board (GASB) not yet implemented by the City include the following:

GASB Statement No. 103, *Financial Reporting Model Improvements* – The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* – The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be presented separately in the note disclosures, including right-to-use assets related to leases, Subscription-Based Information Technology Arrangements, and public-private or public-public partnerships. Other intangible assets are also required to be presented separately by major class. Additional disclosures have also been required for capital assets held for sale. This Statement will become effective for reporting periods beginning after June 15, 2025, and the impact has not yet been determined.

GASB Statement No 105, *Subsequent Events* – The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. This Statement will become effective for fiscal years beginning after June 15, 2026, and the impact has not yet been determined.

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CITY OF PRINCETON, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 9,749,401	$ 10,309,401	$ 9,849,373	$ (460,028)
Sales taxes	4,356,500	4,356,500	4,234,456	(122,044)
Franchise taxes	824,100	824,100	993,284	169,184
License and permits	7,250,997	7,170,997	7,273,888	102,891
Charges for services	3,119,646	3,856,646	3,506,950	(349,696)
Intergovernmental	1,000,400	1,000,400	550,407	(449,993)
Fines and forfeitures	335,240	335,240	431,703	96,463
Investment earnings	1,110,000	1,550,000	2,505,020	955,020
Miscellaneous	212,266	211,266	393,519	182,253
Total revenues	27,958,550	29,614,550	29,738,600	124,050
EXPENDITURES				
Current:				
General government	4,215,092	5,429,685	5,289,689	139,996
Development services	2,101,426	2,943,431	2,866,963	76,468
Public works	2,636,311	2,586,153	2,442,655	143,498
Public safety	13,828,755	16,092,793	15,377,411	715,382
Culture and recreation	3,495,647	3,462,386	3,376,997	85,389
Debt Service:				
Principal	1,416,521	1,386,201	1,261,853	124,348
Interest and fiscal charges	85,664	146,781	227,335	(80,554)
Capital outlay	546,496	2,562,125	3,467,101	(904,976)
Total expenditures	28,325,912	34,609,555	34,310,004	299,551
Revenues Over (under) Expenditures	(367,362)	(4,995,005)	(4,571,404)	423,601
Other Financing Sources (Uses)				
Transfers in	-	2,932,000	3,028,583	96,583
Transfers (out)	-	(300,000)	(399,896)	99,896
Proceeds on sale of fixed assets	-	-	17,309	17,309
Lease issuance	367,362	1,817,033	1,449,671	(367,362)
Note issuance	-	825,312	825,312	-
Total Other Financing Sources (Uses)	367,362	5,274,345	4,920,979	(153,574)
Net change in fund balances	-	279,340	349,575	577,175
Fund balances - beginning	10,337,862	10,337,862	10,337,862	-
Fund balances - ending	$ 10,337,862	$ 10,617,202	$ 10,687,437	$ 577,175

CITY OF PRINCETON, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS FOR THE LAST TEN FISCAL YEARS

FOR THE YEAR ENDED SEPTEMEBER 30, 2025

Plan Year	2015	2016	2017	2018
Total Pension Liability				
Service Cost	$ 339,669	$ 422,523	$ 588,068	$ 729,872
Interest (on the Total Pension Liability)	302,819	318,863	365,981	422,272
Difference between expected and actual experience	(104,990)	94,966	43,938	74,525
Changes of assumptions	4,858	-	-	-
Benefit payments, including refunds of employee contributions	(171,543)	(200,204)	(241,953)	(227,937)
Net Change in Total Pension Liability	370,813	636,148	756,034	998,732
Total Pension Liability - Beginning	4,241,923	4,612,736	5,248,884	6,004,918
Total Pension Liability - Ending (a)	$ 4,612,736	$ 5,248,884	$ 6,004,918	$ 7,003,650
Plan Fiduciary Net Position				
Contributions - Employer	$ 228,154	$ 264,028	$ 368,823	$ 462,168
Contributions - Members	142,462	173,775	242,288	299,830
Net Investment Income	6,036	289,272	666,064	(174,886)
Benefit payments, including refunds of employee contributions	(171,543)	(200,204)	(241,953)	(227,937)
Administrative Expense	(3,676)	(3,275)	(3,458)	(3,385)
Other	(182)	(176)	(175)	(177)
Net Change in Plan Fiduciary Net Position	201,251	523,420	1,031,589	355,613
Plan Fiduciary Net Position - Beginning	4,090,029	4,291,280	4,814,700	5,846,289
Plan Fiduciary Net Position - Ending (b)	$ 4,291,280	$ 4,814,700	$ 5,846,289	$ 6,201,902
Net Pension Liability - Ending (a) - (b)	$ 321,456	$ 434,184	$ 158,629	$ 801,748
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.03%	91.73%	97.36%	88.55%
Covered Payroll	$ 2,035,165	$ 2,482,506	$ 4,899,250	$ 4,283,289
Net Pension Liability as a Percentage of Covered Payroll	15.80%	17.49%	3.24%	18.72%

Notes to schedule: The information in this schedule has been determined as of the measurement date (December 31) of the City's net pension liability.

2019	2020	2021	2022	2023	2024
$ 877,804	$ 1,061,392	$ 1,142,763	$ 1,478,135	$ 1,910,117	$ 2,465,299
493,867	599,821	711,122	822,375	957,354	1,183,435
293,353	196,597	(65,772)	(226,946)	643,743	252,854
37,494	-	-	-	(67,054)	-
(252,000)	(197,248)	(301,911)	(313,332)	(266,414)	(478,370)
1,450,518	1,660,562	1,486,202	1,760,232	3,177,746	3,423,218
7,003,650	8,454,168	10,114,730	11,600,932	13,361,164	16,538,910
$ 8,454,168	$ 10,114,730	$ 11,600,932	$ 13,361,164	$ 16,538,910	$ 19,962,128
$ 552,995	$ 656,876	$ 740,427	$ 992,965	$ 1,278,107	$ 1,520,602
360,177	427,734	454,250	586,562	758,843	936,166
958,656	593,791	1,212,612	(833,553)	1,375,003	1,563,721
(252,000)	(197,248)	(301,911)	(313,332)	(266,414)	(478,371)
(5,418)	(3,839)	(5,606)	(7,197)	(8,708)	(9,972)
(160)	(150)	38	8,587	(61)	(232)
1,614,250	1,477,164	2,099,810	434,032	3,136,770	3,531,914
6,201,902	7,816,152	9,293,316	11,393,126	11,827,158	14,963,928
$ 7,816,152	$ 9,293,316	$ 11,393,126	$ 11,827,158	$ 14,963,928	$ 18,495,842
$ 638,016	$ 821,414	$ 207,806	$ 1,534,006	$ 1,574,982	$ 1,466,286
92.45%	91.88%	98.21%	88.52%	90.48%	92.65%
$ 5,145,390	$ 6,110,492	$ 6,489,282	$ 8,379,453	$ 10,840,616	$ 13,347,588
12.40%	13.44%	3.20%	18.31%	14.53%	10.99%

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CITY OF PRINCETON, TEXAS

REQUIRED SUPPLEMENTARY INFORMATION
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS FOR THE LAST TEN FISCAL YEARS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Fiscal Year Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 268,209	$ 253,725	$ 14,484	$ 2,527,893	10.04%
2017	348,806	348,680	126	3,272,097	10.66%
2018	441,941	441,024	917	4,095,842	10.77%
2019	526,669	527,057	(388)	4,899,250	10.76%
2020	622,562	629,357	(6,795)	5,791,275	10.87%
2021	708,530	697,566	10,964	6,209,727	11.23%
2022	959,989	961,251	(1,262)	8,101,171	11.87%
2023	1,202,895	1,202,895	-	10,189,285	11.81%
2024	1,430,874	1,430,874	-	12,701,640	11.27%
2025	2,004,074	2,004,074	-	16,421,444	12.20%

Notes to Schedule of Contributions

Valuation Date:

Notes — Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	21 years
Asset Valuation Method	10 Year smoothed fair value; 12% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes — There were no benefit changes during the year. The information in this schedule has been determined as of the City's most recent fiscal year-end.

CITY OF PRINCETON, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

TEXAS MUNICIPAL RETIREMENT SYSTEM - SUPPLEMENTAL DEATH BENEFITS FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2025

Plan Year ended December 31,	**2018**	**2019**	**2020**	**2021**
A. Total OPEB liability				
Service Cost	$ 7,269	$ 10,280	$ 11,320	$ 18,331
Interest	2,731	2,987	3,340	3,377
Differences between expected and actual experience	-	(6,732)	(5,458)	(1)
Changes of assumptions	7,271	(6,592)	20,621	22,310
Benefit payments, including refunds of participant contributions	(692)	(857)	(515)	(611)
Net change in Total OPEB liability	16,579	(914)	29,308	43,406
Total OPEB liability - beginning	68,952	85,531	84,617	113,925
Total OPEB liability - ending	$ 85,531	$ 84,617	$ 113,925	$ 157,331
B. Covered employee payroll	$ 3,461,260	$ 4,283,289	$ 5,145,390	$ 6,110,492
C. Total OPEB liability as a percentage of covered employee payroll	2.47%	1.98%	2.21%	2.57%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, only available information is shown.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 to pay related benefits.

2022	2023	2024	2025
$ 22,712	$ 29,328	$ 20,597	$ 25,360
3,354	3,528	5,531	6,306
(8,947)	(5,609)	(953)	(7,833)
5,818	(74,612)	7,312	(9,988)
(1,947)	(2,514)	(4,336)	(4,004)
20,990	(49,879)	28,151	9,841
157,331	178,321	128,442	156,593
$ 178,321	$ 128,442	$ 156,593	$ 166,434
$ 6,489,282	$ 8,379,453	$ 10,840,616	$ 13,347,588
2.75%	1.53%	1.44%	1.25%

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COMBINING AND INDIVIDUAL STATEMENTS AND SCHEDULES

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Nonmajor Governmental Funds

Special Revenue Funds

Court Fines – Accounts for dedicated revenue that is attributed to court operations, motor vehicle, child safety.

Asset Seizure – Accounts for fines and forfeiture of property resulting from criminal cases within the boundaries of the City that have been adjudicated by the State of Texas in District Court.

American Rescue Plan – Accounts for federal assistance received through the American Rescue Plan Act (ARPA). The funds are restricted for expenditures that respond to eligible infrastructure improvements such as broadband, in accordance with federal regulations.

TIRZ 2 – Accounts for revenues and expenditures associated with Princeton Tax Increment Reinvestment Zone No. 2 used to offset Public Improvement District assessment fees.

TIRZ 3 – Accounts for revenues and expenditures associated with Princeton Tax Increment Reinvestment Zone No. 3 used to offset Public Improvement District assessment fees.

TIRZ 4 – Accounts for revenues and expenditures associated with Princeton Tax Increment Reinvestment Zone No. 4 used to offset Public Improvement District assessment fees.

TIRZ 5 – Accounts for revenues and expenditures associated with Princeton Tax Increment Reinvestment Zone No. 5 used to offset Public Improvement District assessment fees.

TIRZ 6 – Accounts for revenues and expenditures associated with Princeton Tax Increment Reinvestment Zone No. 6 used to offset Public Improvement District assessment fees.

PEG – Accounts for Public, Educational, and Government (PEG) access fees collected through cable franchise agreements. These funds are restricted for costs associated with the operation, maintenance, and capital improvements of PEG access channels and related broadcasting equipment.

CITY OF PRINCETON, TEXAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2025

	Court Fines	Asset Seizure	American Rescue Plan	TIRZ 2
ASSETS				
Cash and cash equivalents	$ 243,567	$ 97,034	$ 800,637	$ 52,943
Receivables, net	-	-	-	-
Total assets	243,567	97,034	800,637	52,943
LIABILITIES				
Accounts payable and accrued liabilities	-	12,007	800,637	-
Unearned revenue - escrows	-	72,807	-	-
Total liabilities	-	84,814	800,637	-
FUND BALANCES (DEFICITS)				
Restricted for:				
TIRZ	-	-	-	52,943
Public safety	243,567	12,220	-	-
PEG	-	-	-	-
Total fund balances	243,567	12,220	-	52,943
Total liabilities and fund balances	$ 243,567	$ 97,034	$ 800,637	$ 52,943

TIRZ 3	TIRZ 5	TIRZ 6	Business Incentives	PEG	Total Nonmajor Funds
$ 99,255	$ 5,774	$ 10,722	$ -	$ 91,879	$ 1,401,811
-	-	-	-	4,108	4,108
99,255	5,774	10,722	-	95,987	1,405,919
-	-	-	-	-	812,644
-	-	-	-	-	72,807
-	-	-	-	-	885,451
99,255	5,774	10,722	-	-	168,694
-	-	-	-	-	255,787
-	-	-	-	95,987	95,987
99,255	5,774	10,722	-	95,987	520,468
$ 99,255	$ 5,774	$ 10,722	$ -	$ 95,987	$ 1,405,919

CITY OF PRINCETON, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Court Fines	Asset Seizure	Building Projects	American Rescue Plan
REVENUES				
Property taxes	$ -	$ -		$ -
Franchise and local taxes	-	-		-
Fines and forfeitures	91,781	1,444		-
Intergovernmental	-	5,241		3,619,446
Investment earnings	-	183		-
Total revenues	91,781	6,868		3,619,446
EXPENDITURES				
Current:				
General government	-	-		-
Public safety	34,912	-		-
Capital outlay	-	-		3,619,446
Total expenditures	34,912	-		3,619,446
Excess (deficiency) of revenues over expenditures	56,869	6,868		-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-		-
Total other financing sources (uses)	-	-		-
Net change in fund balances	56,869	6,868		-
Fund balances - beginning, As previously reported	186,698	78,160	2,417,115	3,688,567
Adjustments:				
Changes in reporting entity	-	-	(2,417,115)	-
Errors and corrections	-	(72,808)	-	(3,688,567)
Total Adjustments	-	(72,808)	(2,417,115)	(3,688,567)
Fund balances - beginning, As restated	186,698	5,352	-	-
Fund balances - ending	$ 243,567	$ 12,220	$ -	$ -

TIRZ 2	TIRZ 3	TIRZ 5	TIRZ 6	Business Incentives	PEG	Total Nonmajor Funds
$ 27,473	$ 428,607	$ 21,774	$ 55,609	$ -	$ -	$ 533,463
-	-	-	-	-	17,825	17,825
-	-	-	-	-	-	93,225
-	-	-	-	-	-	3,624,687
-	-	-	-	-	-	183
27,473	428,607	21,774	55,609	-	17,825	4,269,383
26,696	329,352	21,020	44,887	-	17,713	439,668
-	-	-	-	-	-	34,912
-	-	-	-	-	-	3,619,446
26,696	329,352	21,020	44,887	-	17,713	4,094,026
777	99,255	754	10,722	-	112	175,357
-	-	-	-	4,021	95,875	99,896
-	-	-	-	4,021	95,875	99,896
777	99,255	754	10,722	4,021	95,987	275,253
-	-	-	-	(4,021)	-	6,366,519
52,166	-	5,020	-	-	-	(2,359,929)
-	-	-	-	-	-	(3,761,375)
52,166	-	5,020	-	-	-	(6,121,304)
52,166	-	5,020	-	(4,021)	-	245,215
$ 52,943	$ 99,255	$ 5,774	$ 10,722	$ -	$ 95,987	$ 520,468

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
DEBT SERVICE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Property taxes	$ 6,874,036	$ 7,212,900	$ 7,110,528	$ (102,372)
Intergovernmental	621,141	621,141	1,240,531	619,390
Investment earnings	250,000	250,000	211,493	(38,507)
Total revenues	7,745,177	8,084,041	8,562,552	478,511
EXPENDITURES				
Debt service:				
Principal retirement	3,865,000	6,065,000	6,106,291	(41,291)
Interest and fiscal charges	2,609,983	2,096,297	2,016,265	80,032
Total expenditures	6,474,983	8,161,297	8,122,556	38,741
Net change in fund balances	1,270,194	(77,256)	439,996	517,252
Fund balances - beginning	4,104,077	4,104,077	4,104,077	-
Fund balances - ending	$ 5,374,271	$ 4,026,821	$ 4,544,073	$ 517,252

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
ROADWAY IMPACT FEES FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Impact fees	$ 5,000,000	$ 5,000,000	$ 5,837,387	$ 837,387
Investment earnings	350,000	350,000	419,732	69,732
Total revenues	5,350,000	5,350,000	6,257,119	907,119
EXPENDITURES				
Capital outlay	8,600,000	8,600,000	533,229	8,066,771
Total expenditures	8,600,000	8,600,000	533,229	8,066,771
Net change in fund balances	(3,250,000)	(3,250,000)	5,723,890	8,973,890
Fund balances - beginning	16,119,301	16,119,301	16,119,301	-
Adjustments	-	(2,935,732)	(2,935,732)	-
Fund balances - ending	$ 12,869,301	$ 9,933,569	$ 18,907,459	$ 8,973,890

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
PARKS IMPACT FEE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Impact and development fees	$ 2,000,000	$ 2,000,000	$ 2,543,484	$ 543,484
Intergovernmental	-	-	254,156	254,156
Contributions	-	-	5,100,000	5,100,000
Investment Earnings	284,323	284,323	157,554	(126,769)
Miscellaneous	-	-	3,903	3,903
Total revenues	2,284,323	2,284,323	8,059,097	5,774,774
EXPENDITURES				
Capital outlay	22,177,419	22,177,419	5,834,442	16,342,977
Total expenditures	22,177,419	22,177,419	5,834,442	16,342,977
OTHER FINANCING SOURCES (USES)				
Transfers in	55,000,000	55,000,000	2,718,996	52,281,004
Total other financing sources (uses)	55,000,000	55,000,000	2,718,996	52,281,004
Net change in fund balances	(19,893,096)	(19,893,096)	4,943,651	24,836,747
Fund balances - beginning	13,804,495	13,804,495	13,804,495	-
Adjustments	-	(4,682,910)	(4,682,910)	-
Fund balances - ending	$ (6,088,601)	$ (10,771,511)	$ 14,065,236	$ 24,836,747

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
COURT FINES FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 32,800	$ 32,800	$ 91,781	$ 58,981
Total revenues	32,800	32,800	91,781	58,981
EXPENDITURES				
Public safety	10,000	10,000	34,912	(24,912)
Total expenditures	10,000	10,000	34,912	(24,912)
Net change in fund balances	22,800	22,800	56,869	34,069
Fund balances - beginning	186,698	186,698	186,698	-
Fund balances - ending	$ 209,498	$ 209,498	$ 243,567	$ 34,069

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
ASSET SEIZURE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Fines and forfeitures	$ 4,000	$ 4,000	$ 1,444	$ (2,556)
Intergovernmental	1,500	1,500	5,241	3,741
Investment earnings	-	-	183	183
Total revenues	5,500	5,500	6,868	1,368
EXPENDITURES				
Public safety	5,500	5,500	-	5,500
Total expenditures	5,500	5,500	-	5,500
Net change in fund balances	-	-	6,868	6,868
Fund balances - beginning	78,160	78,160	78,160	-
Adjustments	-	(72,808)	(72,808)	-
Fund balances - ending	$ 78,160	$ 5,352	$ 12,220	$ 6,868

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
AMERICAN RESCUE FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Intergovernmental	$ 3,561,355	$ 3,561,355	$ 3,619,446	$ 58,091
Investment earnings	150,000	150,000	-	(150,000)
Total revenues	3,711,355	3,711,355	3,619,446	(91,909)
EXPENDITURES				
Capital outlay	3,711,355	3,711,355	3,619,446	91,909
Total expenditures	3,711,355	3,711,355	3,619,446	91,909
Net change in fund balances	-	-	-	-
Fund balances - beginning	3,688,567	3,688,567	3,688,567	-
Adjustments	(3,688,567)	(3,688,567)	(3,688,567)	-
Fund balances - ending	$ -	$ -	$ -	$ -

CITY OF PRINCETON, TEXAS

COMBINING BALANCE SHEET
COMPONENT UNITS

SEPTEMBER 30, 2025

	Economic Development Corporation	Community Development Corporation	Total Component Units
ASSETS			
Cash and cash equivalents	$ 9,003,986	$ 4,498,021	$ 13,502,007
Receivables, net	423,931	389,050	812,981
Note receivable	1,258,164	-	1,258,164
Total assets	10,686,081	4,887,071	15,573,152
LIABILITIES			
Accounts payable and accrued liabilities	22,357	25,996	48,353
Total liabilities	22,357	25,996	48,353
FUND BALANCES (DEFICITS)			
Restricted for:			
Economic development	10,663,724	4,861,075	15,524,799
Total fund balances	10,663,724	4,861,075	15,524,799
Total liabilities and fund balances	$ 10,686,081	$ 4,887,071	$ 15,573,152

CITY OF PRINCETON, TEXAS

RECONCILIATION OF THE BALANCE SHEET OF COMPONENT UNITS
TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Economic Development Corporation	Community Development Corporation
Total Fund Balance - Component Units	$ 10,663,724	$ 4,861,075
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in the component units are not current financial resources and, therefore, are not reported in the fund financial statement.		
Non-depreciable capital assets	2,052,748	366,051
Net depreciable capital assets	1,585,487	1,446,366
Long-Term Liabilities are not due and payable in the current period and, therefore, are not reported in the Governmental Funds.		
Long-term debt	(696,722)	(4,733,059)
Compensated absences	(5,705)	(5,705)
Net Position of the Component Units	$ 13,599,532	$ 1,934,728

CITY OF PRINCETON, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
COMPONENT UNITS

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Economic Development Corporation	Community Development Corporation	Total Component Units
REVENUES			
Sales taxes	$ 2,252,098	$ 2,252,098	$ 4,504,196
Investment earnings	384,640	130,685	515,325
Total revenues	2,636,738	2,382,783	5,019,521
EXPENDITURES			
Current:			
General government	834,847	574,567	1,409,414
Debt service:			
Principal	105,258	837,555	942,813
Interest and fiscal charges	44,742	252,976	297,718
Total expenditures	984,847	1,665,098	2,649,945
Excess (deficiency) of revenues over expenditures	1,651,891	717,685	2,369,576
Fund balances - beginning,	9,011,833	4,143,390	13,155,223
Fund balances - ending	$ 10,663,724	$ 4,861,075	$ 15,524,799

CITY OF PRINCETON, TEXAS

RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF COMPONENT UNITS
TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Economic Development Corporation	Community Development Corporation
Net change in fund balances - component units	$ 1,651,891	$ 717,685
Amounts reported for the component units in the statement of activities are different because:		
The component unit funds report capital outlay as expenditures, however in the Statement of Activities, the cost of those assets are allocated over the useful lives and reported as depreciation expense.		
Capital outlay	618,776	366,360
Depreciation	(160,395)	(6,813)
The component unit funds report repayment of long-term debt as expenditures. In contrast, the Statement of Net Position shows this as a reduction of long-term liabilities.		
Principal retirement	105,258	837,555
Some expenses reported in the Statement of Activities do not require the use of current financial resources; therefore, they are not reported as expenditures in the funds. However, the Statement of Activities is presented on an accrual basis and expenses are reported when incurred. This amount is the net effect of these differences.		
Compensated absences	(5,705)	(5,705)
Change in net position of the component units	$ 2,209,825	$ 1,909,082

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
PRINCETON ECONOMIC DEVELOPMENT CORPORATION
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Sales tax	$ 2,060,000	$ 2,060,000	$ 2,252,098	$ 192,098
Investment earnings	300,000	300,000	384,640	84,640
Miscellaneous	106,573	106,574	-	(106,574)
Total revenues	2,466,573	2,466,574	2,636,738	170,164
EXPENSES				
Current:				
General government	2,391,573	2,391,573	834,847	1,556,726
Debt service:				
Principal	75,000	105,258	105,258	-
Interest and fiscal charges	-	44,742	44,742	-
Total expenditures	2,466,573	2,541,573	984,847	1,556,726
Net change in fund balances	-	(74,999)	1,651,891	1,726,890
Fund balances - beginning	9,011,833	9,011,833	9,011,833	-
Fund balances - ending	$ 9,011,833	$ 8,936,834	$ 10,663,724	$ 1,726,890

CITY OF PRINCETON, TEXAS

SUPPLEMENTARY INFORMATION
PRINCETON COMMUNITY DEVELOPMENT CORPORATION
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET TO ACTUAL

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Sales tax	$ 2,060,000	$ 2,060,000	$ 2,252,098	$ 192,098
Investment earnings	140,000	140,000	130,685	(9,315)
Total revenues	2,200,000	2,200,000	2,382,783	182,783
EXPENSES				
Current:				
General government	1,601,500	1,601,501	574,567	1,026,934
Debt service:				
Principal	552,358	845,523	837,555	7,968
Interest and fiscal charges	-	252,976	252,976	-
Total expenditures	2,153,858	2,700,000	1,665,098	1,034,902
Net change in fund balances	46,142	(500,000)	717,685	1,217,685
Fund balances - beginning	4,143,390	4,143,390	4,143,390	-
Fund balances - ending	$ 4,189,532	$ 3,643,390	$ 4,861,075	$ 1,217,685

PRINCETON
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STATISTICAL SECTION

CITY OF PRINCETON, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
Governmental Activities				
Net investment in capital assets	$ 8,075,220	$ 16,457,417	$ 22,926,273	$ 12,622,746
Restricted	4,140,512	2,539,370	7,211,360	13,237,763
Unrestricted	1,710,252	2,075,253	2,666,324	16,417,920
Total Governmental Activities Net Position	$ 13,925,984	$ 21,072,040	$ 32,803,957	$ 42,278,429
Business-type Activities				
Net investment in capital assets	$ 6,631,526	$ 11,785,446	$ 20,496,075	$ 24,609,087
Restricted	1,851,788	3,153,343	3,465,755	5,523,425
Unrestricted	2,278,245	2,695,126	4,435,377	5,410,600
Total Business-type Activities Net Position	$ 10,761,559	$ 17,633,915	$ 28,397,207	$ 35,543,112
Primary Government				
Net investment in capital assets	$ 14,706,746	$ 28,242,863	$ 43,422,348	$ 37,231,833
Restricted	5,992,300	5,692,713	10,677,115	18,761,188
Unrestricted	3,988,497	4,770,379	7,101,701	21,828,520
Total Primary Government Net Position	$ 24,687,543	$ 38,705,955	$ 61,201,164	$ 77,821,541

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 43,200,083	$ 48,846,320	$ 70,723,356	$ 91,909,419	$ 116,284,469	$ 146,702,873
39,388,505	14,912,387	17,200,800	28,061,829	36,774,331	37,345,462
(16,835,067)	16,879,326	24,797,844	16,551,101	19,748,998	16,898,244
$ 65,753,521	$ 80,638,033	$ 112,722,000	$ 136,522,349	$ 172,807,798	$ 200,946,579
$ 38,369,840	$ 47,192,152	$ 66,619,856	$ 83,383,917	$ 129,709,202	$ 179,271,434
7,215,702	10,032,440	10,284,268	13,955,894	11,525,654	53,430,607
6,906,498	10,428,790	17,834,770	27,141,805	39,954,482	13,505,275
$ 52,492,040	$ 67,653,382	$ 94,738,894	$ 124,481,616	$ 181,189,338	$ 246,207,316
$ 81,569,923	$ 96,038,472	$ 137,343,212	$ 175,293,336	$ 245,993,671	$ 325,974,307
46,604,207	24,944,827	27,485,068	42,017,723	48,299,985	90,776,069
(9,928,569)	27,308,116	42,632,614	43,692,906	59,703,480	30,403,519
$ 118,245,561	$ 148,291,415	$ 207,460,894	$ 261,003,965	$ 353,997,136	$ 447,153,895

CITY OF PRINCETON, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
Expenses				
Governmental Activities:				
General government	$ 789,760	$ 861,576	$ 1,009,624	$ 2,332,105
Public safety	1,562,609	3,050,330	4,014,770	4,559,343
Public services and operations	893,941	886,973	1,353,362	1,217,468
Culture and recreation	-	-	-	-
Library	129,687	151,936	169,895	251,596
Parks and recreation	552,517	527,723	706,987	1,000,471
Public works	1,381,286	1,642,760	1,743,261	2,672,048
Interest	390,417	544,788	623,667	538,930
Total Governmental Activities	5,700,217	7,666,086	9,621,566	12,571,961
Business-type Activities				
Water and sewer	6,062,226	6,183,258	7,343,569	9,011,378
Storm water drainage	-	232,136	513,498	413,028
Total Business-type Activities	6,062,226	6,415,394	7,857,067	9,424,406
Total Primary Government	$ 11,762,443	$ 14,081,480	$ 17,478,633	$ 21,996,367
Program Revenues				
Governmental Activities:				
General government	$ 115,000	$ 265,178	$ 265,191	$ 576,821
Public safety	348,441	25,690	36,740	39,734
Public services and operations	130,204	2,324,727	2,842,392	2,626,781
Parks and recreation	-	146,968	566,573	1,744,437
Library	-	6,913	7,379	7,186
Culture and recreation	-	-	-	-
Public works	1,292,208	1,430,930	1,989,613	1,797,946
Operating grants and contributions	8,129	422,920	478,064	495,349
Capital grants and contributions	1,908,221	5,385,169	9,084,326	6,177,007
Total Government Activities	3,802,203	10,008,495	15,270,278	13,465,261
Business-type Activities				
Water and sewer	6,754,857	9,563,489	12,320,362	11,629,555
Storm water drainage	-	319,409	359,638	408,288
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,439,081	4,449,124	5,517,586	4,558,840
Total Business-type Activities	8,193,938	14,332,022	18,197,586	16,596,683
Total Primary Government	$ 11,996,141	$ 24,340,517	$ 33,467,864	$ 30,061,944
Net (Expenses) Revenues				
Governmental Activities	$ (1,898,014)	$ 2,342,409	$ 5,648,712	$ 893,300
Business-type Activities	2,131,712	7,916,628	10,340,519	7,172,277
Total Primary Government	$ 233,698	$ 10,259,037	$ 15,989,231	$ 8,065,577

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 1,236,657	$ 1,821,210	$ 2,852,012	$ 3,668,100	$ 4,938,898	$ 6,928,019
5,341,659	6,136,367	7,016,634	9,582,884	12,133,301	16,317,841
1,326,917	1,677,660	2,132,971	2,549,290	3,577,431	3,546,635
-	-	-	-	-	4,948,603
229,122	267,697	263,117	357,341	405,790	-
1,056,310	1,281,216	1,378,074	1,141,138	1,098,652	-
3,335,833	5,735,515	5,426,108	8,860,581	12,327,808	12,203,760
782,724	1,351,592	1,433,349	1,380,047	1,487,352	3,314,570
13,309,222	18,271,257	20,502,265	27,539,381	35,969,232	47,259,428
9,857,833	13,070,655	17,555,001	22,172,549	25,573,304	31,577,124
525,693	1,237,933	1,424,626	1,774,521	1,655,052	2,036,498
10,383,526	14,308,588	18,979,627	23,947,070	27,228,356	33,613,622
$ 23,692,748	$ 32,579,845	$ 39,481,892	$ 51,486,451	$ 63,197,588	$ 80,873,050
$ 598,040	$ 610,304	$ 709,523	$ 743,987	$ 789,169	$ 487,543
72,345	140,950	75,886	344,675	504,837	2,360,520
4,151,327	5,224,478	6,404,024	6,655,574	6,863,624	7,931,206
1,339,530	1,996,581	1,402,869	342,208	380,244	-
3,211	2,378	5,964	5,355	6,299	-
-	-	-	-	-	416,413
3,249,487	3,317,416	2,477,078	650,000	650,000	76,645
1,137,172	1,170,004	2,269,245	828,125	931,007	883,605
16,061,420	9,315,702	25,820,010	20,610,447	37,533,955	40,935,033
26,612,532	21,777,813	39,164,599	30,180,371	47,659,135	53,090,965
14,357,412	17,789,699	23,947,867	29,693,034	39,894,812	46,889,057
527,314	614,839	751,098	823,645	956,672	1,137,680
-	-	-	-	-	135,580
12,532,508	10,624,759	19,890,661	21,214,056	41,944,631	51,575,610
27,417,234	29,029,297	44,589,626	51,730,735	82,796,115	99,737,927
$ 54,029,766	$ 50,807,110	$ 83,754,225	$ 81,911,106	$ 130,455,250	$ 152,828,892
$ 13,303,310	$ 3,506,556	$ 18,662,334	$ 2,640,990	$ 11,689,903	$ 5,831,537
17,033,708	14,720,709	25,609,999	27,783,665	55,567,759	66,124,305
$ 30,337,018	$ 18,227,265	$ 44,272,333	$ 30,424,655	$ 67,257,662	$ 71,955,842

CITY OF PRINCETON, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS (Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
General Revenues				
Governmental Activities				
Property taxes	$ 2,859,709	$ 3,539,491	$ 4,581,813	$ 6,053,199
Sales taxes	918,489	1,267,448	1,327,813	1,540,373
Franchise taxes	190,838	262,549	338,887	401,613
Beverage taxes	-	2,984	5,698	4,466
Investment earnings	15,937	76,593	112,237	248,494
Miscellaneous	55,358	5,270	28,387	23,171
Transfers	(32,491)	(33,491)	(317,115)	254,021
Total Governmental Activities	4,007,840	5,120,844	6,077,720	8,525,337
Business-type Activities				
Investment earnings	10,929	24,525	80,657	165,375
Miscellaneous	10,463	32,888	41,261	62,274
Transfers	32,491	33,491	317,115	(254,021)
Total Business-type Activities	53,883	90,904	439,033	(26,372)
Total Primary Government	$ 4,061,723	$ 5,211,748	$ 6,516,753	$ 8,498,965
Changes in Net Position				
Governmental Activities	$ 2,109,826	$ 7,463,253	$ 11,726,432	$ 9,418,637
Business-type Activities	2,185,595	8,007,532	10,779,552	7,145,905
Total Primary Government	$ 4,295,421	$ 15,470,785	$ 22,505,984	$ 16,564,542

TABLE 2

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 7,472,581	$ 8,789,551	$ 10,014,435	$ 13,084,667	$ 14,521,870	$ 17,534,854
1,928,514	2,473,784	2,817,389	3,352,451	4,037,443	4,226,386
417,291	434,131	590,858	754,629	869,579	993,284
2,613	3,749	4,133	7,295	8,293	8,070
128,794	27,098	336,203	2,012,953	2,846,059	4,640,146
68,405	14,713	23,917	1,323,879	1,237,410	416,789
187,106	(365,070)	(226,906)	(130,480)	1,074,892	2,932,000
10,205,304	11,377,956	13,560,029	20,405,394	24,595,546	30,751,529
103,372	8,630	180,342	1,750,485	2,120,622	1,809,036
1,312	66,933	57,927	13,285	94,233	16,637
(187,106)	365,070	226,906	130,480	(1,074,892)	(2,932,000)
(82,422)	440,633	465,175	1,894,250	1,139,963	(1,106,327)
$ 10,122,882	$ 11,818,589	$ 14,025,204	$ 22,299,644	$ 25,735,509	$ 29,645,202
$ 23,508,614	$ 14,884,512	$ 32,222,363	$ 23,046,384	$ 36,285,449	$ 36,583,066
16,951,286	15,161,342	26,075,174	29,677,915	56,707,722	65,017,978
$ 40,459,900	$ 30,045,854	$ 58,297,537	$ 52,724,299	$ 92,993,171	$ 101,601,044

PRINCETON
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CITY OF PRINCETON, TEXAS **TABLE 3**

GOVERNMENTAL ACTIVITIES TAX REVENUE BY SOURCE

LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year	Property Tax	Sales Tax	Franchise Tax	Mixed Beverage Tax	Total
2016	$ 2,859,709	$ 918,489	$ 305,838	$ 2,796	$ 4,086,832
2017	3,539,491	1,267,448	262,549	2,984	5,072,472
2018	4,581,813	1,327,813	338,887	5,698	6,254,211
2019	6,053,199	1,540,373	401,613	4,466	7,999,651
2020	7,472,581	1,928,514	417,291	2,613	9,820,999
2021	8,789,551	2,473,784	434,131	3,749	11,701,215
2022	10,014,435	2,817,389	602,533	4,133	13,438,490
2023	13,084,667	3,352,451	754,629	7,295	17,199,042
2024	14,466,626	4,029,150	1,549,114	8,293	20,053,183
2025	18,154,219	4,519,069	1,011,109	8,070	23,692,467

CITY OF PRINCETON, TEXAS

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS (Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
General Fund				
Nonspendable	$ -	$ -	$ 33,249	49,137
Committed	68,584	331,196	24,500	59,906
Assigned	2,362	66,998	31,023	-
Restricted For:				
General government	-	-	-	-
Court	78,136	80,953	103,720	127,968
Public safety	-	-	3,681	4,807
PEG	39,576	41,862	41,862	46,391
Unassigned	1,530,097	1,497,135	1,857,401	1,930,490
Total General Fund	$ 1,718,755	$ 2,018,144	$ 2,095,436	$ 2,218,699
All Other Governmental Funds				
Committed	$ 239,741	$ 195,218	$ 190,718	$ 558,571
Assigned	-	-	428,683	1,839,466
Restricted For:				
Debt Service	917,661	2,346,400	2,336,466	896,726
Public Safety	-	-	-	-
TIRZ	-	-	-	-
Parks and recreation	-	-	-	-
Capital improvements	3,105,139	7,551,911	4,109,911	9,768,641
PEG	-	-	-	-
Unassigned	-	-	-	-
Total For All Other Governmental Funds	$ 4,262,541	$ 10,093,529	$ 7,065,778	$ 13,063,404

Fiscal Year						
2020	2021	2022	2023	2024	2025	
$ 162,215	$ 168,718	$ 174,453	$ 101,894	$ 184,916	$ 10,847	
63,682	63,682	96,347	-	-	-	
-	-	27,544	-	-	-	
659,226	1,721,377	-	-	-	-	
140,802	147,555	-	-	-	-	
4,824	50,713	-	-	-	-	
51,210	56,161	79,596	93,108	114,349	-	
3,467,630	6,887,862	5,037,513	833,520	10,038,597	10,676,590	
$ 4,549,589	$ 9,096,068	$ 5,415,453	$ 1,028,522	$ 10,337,862	$ 10,687,437	
$ 872,815	$ 1,267,835	$ -	$ -	$ -	$ -	
2,155,512	1,672,802	-	-	-	-	
1,394,096	1,608,887	1,640,860	2,910,730	4,104,077	4,544,073	
-	-	197,033	189,949	264,858	255,787	
-	-	-	2,918,982	57,186	168,694	
-	-	10,574,914	9,352,763	13,804,495	14,065,236	
37,138,347	21,724,162	26,812,436	19,743,488	22,224,983	120,742,478	
-	-	-	-	-	95,987	
-	-	-	-	(4,021)	-	
$ 41,560,770	$ 26,273,686	$ 39,225,243	$ 35,115,912	$ 40,451,578	$ 139,872,255	

CITY OF PRINCETON, TEXAS

CHANGES IN FUND BALANCES, GOVERMENTAL FUNDS

LAST TEN FISCAL YEARS (Unaudited)

	Fiscal Year			
	2016	2017	2018	2019
Revenues				
Taxes	$ 3,980,727	$ 5,072,472	$ 6,268,705	$ 7,963,415
Licenses and permits	1,292,208	1,139,145	1,324,778	1,197,053
Fines and fees	313,762	318,666	383,154	249,793
Charges for services	245,204	1,306,096	1,962,606	2,570,913
Investment income	15,938	76,593	112,237	248,494
Impact/developer fees	-	1,430,930	1,913,383	2,757,651
Intergovernmental	1,185,938	1,911,861	1,836,090	1,139,930
Contributions/donations	16,177	20,466	26,527	180,506
Miscellaneous	36,385	19,260	59,090	37,774
Total Revenues	7,086,339	11,295,489	13,886,570	16,345,529
Expenditures				
General government	684,955	850,758	994,127	2,291,888
Public safety	1,630,932	2,897,383	3,760,715	4,144,134
Public works	748,702	755,542	661,496	903,096
Public services and operation	636,406	872,474	1,329,191	1,171,038
Parks and recreation	460,734	443,937	604,104	766,783
Library	117,758	141,514	159,990	216,026
Culture and recreation	-	-	-	-
Capital outlay	3,917,850	6,122,703	8,902,747	4,515,865
Debt service:				
Principal	649,425	771,122	1,133,551	2,178,435
Interest	388,396	531,818	562,245	548,043
Bond issuance costs	84,689	68,700	-	63,840
Total Expenditures	9,319,847	13,455,951	18,108,166	16,799,148
Excess (Deficiency) of Revenues over (Under) Expenditures	(2,233,508)	(2,160,462)	(4,221,596)	(453,619)
Other Financing Sources (Uses)				
Notes/bond issuance	3,245,000	8,465,000	-	7,790,000
Payments to bond refunding escrow agent	-	-	-	-
Net cost of issuance premium((discount)	202,141	26,200	-	-
Sales of assets	-	6,000	76,230	7,154
Lease issuance	182,652	110,814	1,489,406	216,890
Transfers	(32,491)	22	(317,115)	254,021
Total Other Financing Sources (Uses)	3,597,302	8,608,036	1,248,521	8,268,065
Net Change in Fund Balance	$ 1,363,794	$ 6,447,574	$ (2,973,075)	$ 7,814,446
Debt Service as a Percentage of Noncapital Expenditures	19.2%	17.8%	18.4%	22.2%

TABLE 5

Fiscal Year					
2020	2021	2022	2023	2024	2025
$ 9,840,379	$ 11,616,121	$ 13,408,244	$ 17,245,108	$ 19,381,941	$ 22,738,929
2,052,232	3,125,155	2,811,222	3,082,362	3,692,494	7,273,888
196,658	316,669	295,633	308,366	440,189	524,928
3,370,083	4,077,344	4,329,628	5,351,071	5,072,199	3,506,950
128,794	27,098	336,201	2,012,953	2,846,059	4,640,146
3,737,853	3,706,216	8,511,084	19,011,667	8,961,545	8,380,871
8,974,518	3,084,576	6,892,790	1,283,781	931,007	5,669,781
8,556	539,590	491,255	1,598,780	2,436,800	5,100,000
229,374	88,776	68,600	537,654	1,237,410	397,422
28,538,447	26,581,545	37,144,657	50,431,742	44,999,644	58,232,915
1,046,207	1,753,855	2,352,165	3,063,079	4,324,278	5,729,357
4,852,909	5,688,838	6,613,336	9,506,215	12,168,965	15,412,323
1,067,638	1,764,900	1,172,149	2,850,968	3,246,698	2,442,655
1,266,617	1,643,383	2,158,191	2,506,483	3,513,468	2,866,963
725,838	893,907	988,122	210,618	240,921	-
194,545	236,382	236,204	327,641	381,934	-
-	-	-	-	-	3,376,997
5,684,055	21,938,532	26,338,802	30,610,290	8,919,954	15,866,351
2,684,837	2,372,815	4,019,264	3,759,229	4,230,205	7,368,144
137,774	1,502,605	1,485,207	1,604,561	1,565,458	2,243,600
679,547	-	227,956	-	-	835,099
18,339,967	37,795,217	45,591,396	54,439,084	38,591,881	56,141,489
10,198,480	(11,213,672)	(8,446,739)	(4,007,342)	6,407,763	2,091,426
17,365,000	-	19,348,600	-	884,145	97,995,312
-	-	(2,709,510)	-	-	-
2,772,774	-	809,395	-	-	3,728,819
-	1,300	155,306	786,225	-	17,309
268,047	836,837	338,566	2,855,334	278,206	1,449,671
187,106	(365,070)	(226,906)	(130,480)	(925,107)	2,932,000
20,592,927	473,067	17,715,451	3,511,079	237,244	106,123,111
$ 30,791,407	$ (10,740,605)	$ 9,268,712	$ (496,263)	$ 6,645,007	$ 108,214,537
22.3%	24.4%	28.6%	23.0%	19.2%	17.1%

TABLE 6

CITY OF PRINCETON, TEXAS

ASSESSED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS (UNAUDITED)

	Market Valuation				
Fiscal year	Real Property	Personal Property Other	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate
2016*	$ 488,390,373	$ 2,701,269	$ (106,120,967)	$ 384,970,675	0.738999
2017*	568,536,406	2,949,716	(108,947,539)	462,538,583	0.721800
2018	829,771,560	17,069,951	(185,008,455)	661,833,056	0.691890
2019	1,035,537,457	35,181,857	(198,466,382)	872,252,932	0.688820
2020	1,272,727,052	60,224,529	(223,501,852)	1,109,449,729	0.676299
2021	1,475,818,183	79,123,573	(226,534,098)	1,328,407,658	0.651215
2022	1,811,672,682	98,454,405	(253,975,872)	1,656,151,215	0.602549
2023	2,883,949,810	133,158,510	(562,454,107)	2,454,654,213	0.534543
2024	3,857,422,858	180,672,605	(717,198,203)	3,320,897,260	0.440226
2025	4,408,884,023	221,973,830	(631,793,536)	3,999,064,317	0.440226

Source: Collin County Appraisal District
* FY2016 & 2017 data unable to verify

TABLE 7

CITY OF PRINCETON, TEXAS

PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal year	General Fund	Debt Service Fund	Total Direct	Princeton ISD	Collin County	Collin Community College
2016	0.503901	$ 0.217899	$ 0.721800	1.620000	0.235000	0.081960
2017	0.461505	0.230381	0.691886	1.620000	0.225000	0.081222
2018	0.426465	0.263425	0.689890	1.620000	0.192246	0.079810
2019	0.402494	0.286326	0.688820	1.620000	0.180785	0.081222
2020	0.394077	0.282222	0.676299	1.568350	0.174951	0.081222
2021	0.399118	0.252097	0.651215	1.469800	0.172531	0.081222
2022	0.377315	0.225234	0.602549	1.460300	0.168087	0.081222
2023	0.313630	0.220942	0.534572	1.442900	0.152443	0.081222
2024	0.260863	0.179363	0.440226	1.257500	0.149343	0.081220
2025	0.256657	0.183569	0.440226	1.207200	0.149343	0.081220

CITY OF PRINCETON, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2025		
Taxpayer	Assessed Valuation	% of Total Assessed Valuation	Rank
Core PBSFR Princeton 982 LLC	$ 70,651,966	2.05%	1
NexMetro Towne Center LP	32,726,857	0.95%	2
Whitewing Highgates LP	29,912,628	0.87%	3
HLC Southgate LLC	28,211,326	0.82%	4
Townhomes at PM Holding LLC	27,777,778	0.81%	5
Cope Equities LLC	25,240,944	0.73%	6
Spectrum Gulf Coast LLC	22,842,525	0.66%	7
Amerco Real Estate Company	22,067,400	0.64%	8
TSHH LLC	20,986,752	0.61%	9
GRBK Edgewood LLC	19,693,721	0.57%	10
Wal-Mart Real Estate Business Trust	-	-	
Edison Development CO	-	-	
Dollar General	-	-	
O'Reilly Auto Parts	-	-	
Big G Auto	-	-	
Princeton Village LLC	-	-	
Note: Total employment for the City is not available for FY2025.	-	-	
First Bank Farmersville	-	-	
Carolina Real Estate Holdings LLC	-	-	
Creekview at 380 LLC	-	-	
	$ 300,111,897		

Source: Collin County Appraisal District

Taxpayer	2016 Assessed Valuation	% of Total Assessed Valuation	Rank
Core PBSFR Princeton 982 LLC	$ -	-	
NexMetro Towne Center LP	-	-	
Whitewing Highgates LP	-	-	
HLC Southgate LLC	-	-	
Townhomes at PM Holding LLC	-	-	
Cope Equities LLC	-	-	
Spectrum Gulf Coast LLC	-	-	
Amerco Real Estate Company	-	-	
TSHH LLC	-	-	
GRBK Edgewood LLC	-	-	
Wal-Mart Real Estate Business Trust	12,378,705	3.22%	1
Edison Development CO	4,967,594	1.29%	2
LGI Homes - Texas LLC	4,102,794	1.07%	3
DR Horton - Texas LTD	2,993,701	0.78%	4
311 Princeton Drive LLC	2,497,529	0.65%	5
Princeton Village LLC	2,454,355	0.64%	6
Princeton Strategy LLC	2,000,000	0.52%	7
First Bank Farmersville	1,877,723	0.49%	8
Carolina Real Estate Holdings LLC	1,648,902	0.43%	9
Creekview at 380 LLC	1,447,896	0.38%	10
	$ 36,369,199		

PRINCETON
TEXAS

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TABLE 9

CITY OF PRINCETON, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Original Tax Levy	Amount	Percent of Tax Levy	Collections in Subsequent Years	Amount	Percentage of Tax Levy
2016	$ 2,833,887	$ 2,812,844	99.3%	$ 17,589	$ 2,830,433	99.88%
2017	3,605,161	3,539,491	98.2%	58,908	3,598,399	99.81%
2018	4,724,242	4,596,306	97.3%	119,805	4,716,111	99.83%
2019	5,995,210	5,866,980	97.9%	120,120	5,987,100	99.86%
2020	6,491,113	6,398,147	98.6%	83,783	6,481,930	99.86%
2021	8,512,610	8,447,222	99.2%	55,095	8,502,317	99.88%
2022	9,827,462	9,785,793	99.6%	29,714	9,815,507	99.88%
2023	12,958,002	12,878,894	99.4%	43,629	12,922,523	99.73%
2024	14,449,776	14,349,170	99.3%	22,454	14,371,624	99.46%
2025	17,484,863	17,326,242	99.1%	-	17,326,242	99.09%

Source: Collin County Tax Office

CITY OF PRINCETON, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS (UNAUDITED)

	Governmental Activities				
Fiscal Year	**General Obligation Bonds**	**Certificate of Obligation Bonds**	**Notes**	**Leases**	**Limited Tax Note**
2016	$ 906,500	$ 8,435,000	$ 260,384	$ -	$ 755,000
2017	762,200	16,801,315	224,377	-	570,000
2018	695,600	16,382,202	1,626,832	-	-
2019	629,000	14,415,000	1,487,508	-	7,790,000
2020	562,400	31,295,000	1,215,306	-	6,020,000
2021	503,200	30,305,000	1,678,528	-	5,070,000
2022	2,571,518	40,492,267	673,096	394,688	10,180,000
2023	1,960,112	39,048,293	2,925,134	557,241	8,710,000
2024	1,806,430	37,283,825	3,323,650	544,360	7,170,000
2025	57,187,058	77,978,461	3,259,285	1,558,523	5,595,000

Notes: Details regarding the City's outstanding debt can be found in the notes to financial statements.

Business-type Activities						
General Obligation Bonds	Certificate of Obligation	Contractual Obligations	Leases Payable	Total Primary Government	Percentage of Personal Income	Per Capita
$ 7,203,500	$ 1,130,000	$ 3,920,000	$ 150,594	$ 22,760,978	10.14%	$ 1,730
7,479,800	950,000	3,700,000	145,972	30,633,664	11.61%	1,818
7,352,610	760,000	18,295,000	596,692	45,708,936	14.00%	4,299
6,841,000	560,000	17,910,000	472,977	50,105,485	10.74%	3,908
6,722,600	350,000	17,730,000	345,537	64,240,843	9.98%	5,010
6,596,800	130,000	17,330,000	271,434	61,884,962	11.94%	3,366
6,431,400	20,829,203	29,545,000	81,107	111,198,279	17.58%	5,531
7,446,649	19,420,000	28,900,000	167,274	109,134,703	11.06%	3,580
6,982,887	19,210,000	28,230,000	136,020	104,687,172	8.78%	3,145
5,164,029	18,008,838	27,530,000	59,283	196,340,477	0.12%	4,553

CITY OF PRINCETON, TEXAS

RATIO OF GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE OF NET GENERAL
OBLIGATION BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Estimated Population	Assessed Property Value (1)	Gross Bonded Debt (2)	Less: Debt Service Funds (3)
2016	10,632	$ 384,970,675	$ 10,356,884	$ 389,971
2017	10,632	462,538,583	18,133,515	550,692
2018	12,822	661,833,056	18,704,634	659,744
2019	12,822	872,252,932	22,834,000	896,725
2020	16,500	1,109,449,729	37,877,400	1,394,096
2021	18,388	1,328,407,658	35,878,200	2,320,500
2022	20,046	1,656,151,215	53,176,721	4,922,502
2023	26,664	2,454,654,213	53,265,587	2,911,229
2024	33,288	3,320,897,260	50,128,265	4,103,247
2025	43,126	3,999,064,317	145,578,326	4,544,072

(1) See the Schedule of Assessed Actual Value of Taxable Property for property value

(2) Schedule of Bonds Payable and total bonds for fiscal year.

(3) Audited financial statements

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

TABLE 11

Net Bonded Debt	% Net Bonded Debt to Assessed Property Value	Net Bonded Debt Per Capita
$ 9,966,913	2.69%	974
17,582,823	3.92%	1,706
18,044,890	2.83%	1,459
21,937,275	2.62%	1,781
36,483,304	3.41%	2,296
33,557,700	2.70%	1,951
48,254,219	3.21%	2,653
50,354,358	2.17%	1,998
46,025,018	1.51%	1,506
45,584,193	3.64%	3,376

TABLE 12

CITY OF PRINCETON, TEXAS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT

YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Jurisdiction	Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Governmental Unit			
Debt repaid with property taxes			
Collin County	$ 982,755,000	1.68%	$ 16,510,284
Collin County CCD	438,250,000	1.68%	7,362,600
Collin County MUD #4	26,385,000	0.36%	94,986
McKinney Independent School District	431,975,000	1.05%	4,535,738
Princeton Independent School District	667,854,034	62.40%	416,740,917
Subtotal Direct Debt	2,547,219,034		445,244,524
Overlapping Debt:			
City of Princeton, direct debt		100.00%	158,365,000
Total Direct and Overlapping Debt			$ 603,609,524

Source: "Texas Municipal Report" as of September 30, 2025, prepared by the Municipal Advisory Council.

* Gross debt. Some debt may be supported by other revenues and thus be considered self-supporting debt. Using gross debt may overstate the actual amount of debt supported by property taxes.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Princeton. This process recognizes that, when considering the City of Princeton's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using the taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City of Princeton's boundaries and dividing it by the overlapping government's total taxable assessed value.

TABLE 13

CITY OF PRINCETON, TEXAS

COMPUTATION OF LEGAL DEBT MARGIN

YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Fiscal Year	Tax Rate Limit	Tax Rate	Available Tax Rate
2016	2.5000	0.7218	1.7782
2017	2.5000	0.6919	1.8081
2018	2.5000	0.6899	1.8101
2019	2.5000	0.6888	1.8112
2020	2.5000	0.6763	1.8237
2021	2.5000	0.6512	1.8488
2022	2.5000	0.6025	1.8975
2023	2.5000	0.5345	1.9655
2024	2.5000	0.4402	2.0598
2025	2.5000	0.4402	2.0598

Note: The City Charter of the City of Princeton does not provide for a debt limit. Under the provisions of state law, the maximum tax rate is limited to $2.50 per $100 assessed valuation.

Legal Debt Margin Calculation for Fiscal Year 2025

Taxable assessed value	$	3,859,605,345
Add back exempt real property		424,028,757
Total assessed value	$	4,283,634,102
Debt limit (10% of total assessed value)		
Debt applicable to limit:		
Property tax supported debt	$	134,040,139
Less: Amount set aside for repayment of general		(4,260,193)
Total net debt applicable to limit	$	129,779,946
Legal debt margin		3.03%

TABLE 14

CITY OF PRINCETON, TEXAS

SCHEDULE OF REVENUE BOND COVERAGE

YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Fiscal Year	Total Revenue (1)	Less Operating Expenses (3)	Net Revenue Available Revenue	Debt Service (2)		Coverage Ratio
				Principal	Interest and Fiscal Charges	
2016	$ 6,765,321	$ 4,722,866	$ 2,042,455	$ 320,700	$ 166,409	4.19
2017	6,824,537	5,163,318	1,661,219	298,400	342,428	2.59
2018	8,901,145	6,015,505	2,885,640	1,133,551	562,245	1.70
2019	10,026,242	7,365,838	2,660,404	313,400	285,866	4.44
2020	12,177,286	8,683,551	3,493,735	345,800	256,634	5.80
2021	14,011,112	9,223,155	4,787,957	764,500	682,970	3.31
2022	24,172,554	10,386,712	13,785,842	296,700	1,014,613	10.51
2023	31,424,947	14,304,784	17,120,163	981,512	1,113,208	8.17
2024	42,043,577	17,885,205	24,158,372	1,011,512	1,049,070	11.72
2025	48,784,993	21,954,900	26,830,093	1,053,709	1,013,507	11.69

(1)Total revenue includes total water and sewer operating and non-operating revenue.

(2) Includes principal and interest of revenue bonds only. It does not include certificates of obligation or other debt reported in the water and sewer fund.

(3) Water and sewer operating expenses less depreciation and amortization.

TABLE 15

CITY OF PRINCETON, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

YEAR ENDED SEPTEMBER 30, 2025 (UNAUDITED)

Fiscal Year	Population (1)	Personal Income (3)	Per Capita Income (2)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2016	10,362	$ 224,565,264	$ 21,672	36.0	1,798	4.30%
2017	10,362	263,909,778	25,469	34.0	1,950	3.60%
2018	12,822	326,563,518	25,469	35.0	2,090	3.60%
2019	12,822	466,746,444	36,402	33.0	2,131	2.90%
2020	16,500	643,648,500	39,009	33.0	2,587	3.20%
2021	18,388	518,449,660	28,195	33.0	2,752	3.90%
2022	20,046	630,566,976	31,456	33.0	3,967	3.80%
2023	26,664	862,793,712	32,358	33.0	4,276	3.90%
2024	33,288	1,192,143,144	35,813	33.2	9,141	3.70%
2025	43,126	1,626,022,704	37,704	32.9	11,225	4.00%

(1) North Central Texas Council of Governments
(2) United States Census Bureau
(3) Personal Income derived by multiplying per capita personal income by population
(4) United States Census Bureau
(5) Princeton Independent School District
(6) Texas Workforce Commission - (data for Collin County)

TABLE 16

CITY OF PRINCETON, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2025			2016		
Employer	No. Employees	Rank	Percentage of Total City Employment	No. Employees	Rank	Percentage of Total City Employment
Princeton Independent School District	1,497	1	n/a	480	1	n/a
Wal-Mart	257	2	n/a	-	-	-
City of Princeton	202	3	n/a	75	2	n/a
Princeton Medical Lodge	160	4	n/a	-	-	-
Heaven Health	40	5	n/a	-	-	-
Centered Mental Health LLC	37	6	n/a	-	-	-
Action Behavior Centers	35	7	n/a	-	-	-
Gentle Mental Treatment Center LLC	34	8	n/a	-	-	-
Whataburger	33	9	n/a	-	-	-
McDonalds	30	10	n/a	36	4	n/a
Villa Asuncion	-	-	-	70	3	n/a
Jack in the Box	-	-	-	25	5	n/a
Taco Bell	-	-	-	12	6	n/a
Citizens State Bank	-	-	-	10	7	n/a
Dollar General	-	-	-	6	8	n/a
O'Reilly Auto Parts	-	-	-	5	9	n/a
Big G Auto	-	-	-'	4	10	n/a
Total	2,325		-	723		-

TABLE 17

CITY OF PRINCETON, TEXAS

FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS (UNADUITED)

Function/Program	Full-Time Equivalent Employees as of October 1									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	5	6	6	8	7	7	9	12	14	14
Police	12	15	21	26	29	29	29	33	44	49
Fire	9	16	17	17	23	25	33	39	46	48
Municipal Court	3	3	3	3	4	4	4	4	4	4
Development/Code Enforcement	3	4	5	6	8	9	11	14	13	13
Library	2	2	3	3	3	3	3	4	4	4
Marketing & Community Events	1	1	1	1	3	2	4	4	3	4
Municipal Services	-	-	-	-	1	1	1	2	2	8
Streets	3	3	3	3	5	5	5	6	6	6
ROW/E	4	4	5	5	5	5	6	6	2	5
Parks and Recreation	3	4	6	6	8	8	7	10	13	14
Utility Administration	3	3	4	4	4	4	5	6	6	8
Water, Sewer	7	9	12	12	12	14	12	15	26	30
Storm Water	-	2	3	3	2	1	1	2	3	3
Total	55	72	89	97	114	117	130	157	186	210

Source: City Budget

CITY OF PRINCETON, TEXAS

OPERATING INDICTATORS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

	Fiscal Year			
Function/Program	2016	2017	2018	2019
Police				
Physical arrests	364	378	591	452
Traffic violations	4,454	6,460	2,861	2,704
Number of officers	12	15	15	24
Fire				
Number of calls answered	1,929	2,058	2,320	2,420
Number of firefighters	9	16	17	18
Number of volunteer firefighters	22	24	24	20
Number of EMS runs*				
Development Services				
Number of residential permits*				
Number of commercial permits*				
Parks & Recreation				
Participants in park programs	823	1,372	1,457	1,546
Library				
Volumes in collection*				
Circulation*				
Water and wastewater				
Number of water connections*				
Number of sewer connections*				
New connections	656	315	724	668
Average daily consumption (gallons)	1,250,000	1,281,417	1,453,000	1,570,000
Water main breaks	143	155	282	577
Maximum ground storage capacity	2.1 MG	2.1 MG	2.1 MG	2.1 MG
Maximum elevated storage capacity	1 MG	1 MG	1 MG	1 MG
Water purchased	427,398,000	468,002,000	557,711,000	553,818,000

* New stats being tracked beginning in 2025

Source: Various city departments.

Fiscal Year					
2020	2021	2022	2023	2024	2025
353	492	0	470	588	626
1,819	1,979	1,548	1,878	1,097	1,870
25	27	29	33	44	45
2,538	2,409	3,382	4,009	4,000	5,223
23	25	25	35	45	46
16	8	4	0	0	0
					3,764
					1,660
					60
1,374	2,391	2,520	2,979	3,205	3,649
					13,688
					30,447
					15,361
					20,775
1,108	1,384	1,272	1,764	5,694	2,885
1,919,586	2,116,000	2,818,537	2,937,041	3,276,092	6,410,828
269	271	488	379	432	310
2.1 MG	6 MG	6 MG	6 MG	6.6 MG	6.6 MG
1 MG	1 MG	1 MG	3MG	3MG	3MG
669,421,000	1,496,912,000	1,217,657,000	1,396,539,000	1,738,012,000	2,116,016,000

CITY OF PRINCETON, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

Last Ten Fiscal Years (Unaudited)

	Fiscal Year			
Function/Program	2016	2017	2018	2019
Police				
Police stations	1	1	1	1
Patrol units	12	14	15	16
Fire				
Fire stations	1	1	1	1
Streets				
Streets (miles)	64	69	61	76
Number of streetlights	309	361	420	608
Parks & Recreation				
Parks (acres)	130	130	138	139
Water and wastewater				
Water lines (miles)	59	69	80	96
Sanitary sewers (miles)	45	50	60	77

Source: Various city departments.

Fiscal Year					
2020	2021	2022	2023	2024	2025
1	1	1	1	1	1
20	21	23	24	33	43
1	2	3	3	4	4
89	113	115	122	180	224
785	1,102	1,523	1,610	2,329	2,329
145	146	261	261	271	276
102	117	141	143	181	204
83	111	141	142	251	230

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